

TOURISM SECTOR DEAL

*Informing the Long-Term Tourism
Strategy for Britain*

Modern Industrial Strategy

Tourism Sector Deal bid

Informing the Long-Term Tourism Strategy for Britain

October 2017



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EXECUTIVE SUMMARY

A Tourism Sector Deal

This document is the formal submission to the Department for Business, Energy and Industrial Strategy (BEIS) on behalf of the Tourism Industry. It is the industry's bid for a Tourism Sector Deal.

The research and submission draws particular attention to the scale and potential of this industry. Tourism in the UK today is currently worth £126.9bn, employing over 3.1m people in every local authority in the UK and includes a huge export component of around £29.8bn annually. It is an industry of extraordinary success, driving the economic recovery after the 2008 economic recession, and it is an industry predominantly composed of SMEs with around 200,000 spread across the country. It also features a number of sectors, including international retail, airlines, rail, hospitality, pubs, hotels, bed and breakfasts, business visits and events, the sharing economy, and digital booking platforms.

The Tourism Sector has worked collaboratively to produce some clear ambitions for the future. Too often in the past, this sector has been seen by government as fragmented and complex, however this bid for a Sector Deal aims to demonstrate the overall top line ambitions of a sector which

understands what it wants to achieve and how to achieve it. The Sector is ambitious for the future, and there is an appetite around the country to be part of the UK Government's Modern Industrial Strategy.

The Sector is setting strategic and ambitious targets with a deal.

These include:

- **Boosting productivity by 1%**
- **Delivering an additional 70,000 jobs**
- **Building the most competitive tourism market in Europe by 2025**
- **Increasing the value of Tourism to all corners of the UK**

As part of the Sector Deal bid, these ambitions will be reached by:

- **The creation of new Tourism Zones.**
- **A productivity drive, boosting seasonality and business visits.**
- **Making Britain more connected digitally and in transport.**
- **A new skills campaign, creating the workforce for an ambitious sector.**

FOREWORD

Two and half times bigger than the automotive industry, a bigger exporter than the insurance industry and growing faster than digital, tourism matters to the UK economy.

Today, tourism in the UK is a thriving industry which continues to outperform forecasts, and creates jobs right across the UK – in every local authority – including at times when the UK economy isn't performing strongly as a whole.

Overseas visitors spend £22bn annually in the UK, and this is growing. Collectively, both domestic and inbound tourism account for nearly £127bn of the UK economy every year. Growth continues to be strong too with overall annual growth expected to be 3.8% every year up until 2025.

However, whilst these numbers are more impressive than many would ever anticipate, too often tourism as an industry is overlooked, and the industry's policy needs remain too low down the political agenda as a result. The depreciation of the pound sterling over the past year or so has meant that Britain has become more competitive, but there is much more to do, and relying on currency to drive growth is not a long-term solution for this sector.

This sector deal bid aims to do two things: firstly, to offer a long-term plan of where this industry could go and how it could further benefit the economy; and secondly, it offers practical asks, some challenges to Government that need to be addressed, and some proactive, positive offers of how the industry can engage constructively with the Government in the coming years.

What we are presenting is a case for growth and a fix to some structural issues where the industry and the government will continue to work together.

Over the past few months, I have met with a great number of industry leaders from across the sector. All of them offered practical solutions and views and for that, I thank them. Many other industry figures have been contributing to this bid through the Working Group process to help formulate the plan being presented. Alongside this, a consultation was held for the 200,000 SMEs who account for the vast majority of this industry to ensure that all who have a stake in the sector have had the opportunity to make their views heard. We also held an extensive series of regional and national roundtables in Belfast, Cardiff, Edinburgh,



Steve Ridgway CBE
Lead Figure for the Tourism Bid

Manchester, Birmingham and London to ensure that 'place' was at the centre of our evidence finding.

The British tourism industry is the strongest it has been in decades, but there is still much more to do. We have the opportunity to become a truly global leader; helping to drive trade, and boost Britain's image as a nation and as a brand around the world. Tourism plays a unique role here – we know that those who have visited are 19% more likely to invest here than those who haven't. This is a soft power tool which underpins a number of other industries. Likewise, a Sector Deal is a clear symbol to top international investors that Britain is open for business and understands how to grow its visitor economy for the long-term.

At this critical juncture in British policy formation, it is the tourism industry's firm conclusion and strong desire that a Sector Deal is needed and that it would bring about very real improvements in the performance of an already strongly performing sector of the British economy.

This is a tremendously exciting period for tourism in Britain and this document lays the clear groundwork for the steps that, we feel, must be taken to enshrine and enhance our global competitiveness for decades to come.

STEVE RIDGWAY CBE

Lead figure for the Tourism Sector Deal bid

The Context of the Modern Industrial Strategy

Tourism Sector Deal Bid: Beginning of the Process

In January 2017, the UK Government launched its Industrial Strategy Green Paper outlining its approach for a long-term model to boost the growing, emerging and successful elements of the economy.

The key objectives of the Industrial Strategy are to:

- Build on the UK's strengths and extend excellence into the future
- Close the gaps between the UK's most productive companies, industries, places and people
- Make the UK one of the most competitive places in the world to start and grow a business

Sector Deals

The Industrial Strategy Green Paper, prepared by the Department for Business, Enterprise and Industrial Strategy (BEIS) outlined its 'open door' challenge to industry to come to Government with proposals to transform and upgrade their sector through 'Sector Deals'. BEIS has been clear that Sector Deals will be granted to any sector which can organise around a future plan and make the case to the UK Government for action.

In its Green Paper, the UK Government stated: *"The Government has long worked collaboratively with the aerospace industry to create one of the world's best business environments for advanced aerospace engineering, design and manufacture. In the automotive sector, close partnership between*

government and industry has supported strong growth, with thousands of people employed in highly skilled jobs. But this relationship is less developed in other industries, and we have not established a coherent framework for industrial strategy across all sectors."

Industry-led Process

BEIS has been clear that the process of pulling together a Sector Deal should be industry-led, with an individual figure able to lead the process and speak directly to Government with one voice and a clear aim on behalf of the industry.

Key Objectives

From the start of the project, the Government has been clear that sector deals need to focus on future growth and fixing overall productivity, as it is clear from a number of studies that Britain has an overall productivity shortfall compared to key competitors such as France and Germany, but also Spain and Italy.

The Modern Industrial Strategy aims to focus on Innovation, Place, Infrastructure, Productivity and Business.

Tourism in the UK

An Industry delivering for the whole of the UK

- *3.1m jobs across every local authority*
- *Contributes £126.9bn annually*
- *An export for the UK - £29.8bn annually*





TOURISM & THE UK

Tourism in Britain – both inbound and domestic – is built around a unique and world-beating experience. From ancient heritage to diverse and spectacular landscapes, to world-renowned product and service, Britain consistently finds itself amongst the most desirable destinations anywhere in the world.

This is backed up by key data which shows years of significant growth contributing billions of pounds in taxes to HM Treasury, and a huge export component which ranks larger than almost every other competing sector.

Economic facts

Tourism is a core and vital sector within the British economy already. Accounting for 9.6% of all employment and 9% of GDP, tourism is two and a half times bigger than the automotive industry¹, a bigger exporter than the insurance sector and is growing faster than the digital sector.

There are four key statistics underlining the importance of the tourism industry:

- 3.1m jobs
- £126.9bn and 9% of UK GDP annually
- £22.5bn spent by overseas visitors annually
- c.£7bn tax to HMRC from international visitors.²

Tourism is a big job creator – it created more jobs during the 2008/09 recession than other industries – and has helped to stimulate the economy out of recession through sustained growth. Evidence

shows that for every £54,000 spent by tourists, an additional job is created in the UK.

Tourism pushes growth and creates jobs right across the whole country. Every single local authority has a local tourism economy, and in recent years, growth of tourism beyond London has been growing year-on-year at a faster rate than in the capital.

Britain's withdrawal from the European Union

Britain's imminent departure from the European Union offers both a number of challenges and opportunities for all industries. From regulatory changes to trading conditions, sectors are reviewing the impact and the key areas of policy they need resolution.

Tourism is almost unique in one respect: it needs no trade deals. This does not mean that Brexit leaves the industry unaffected. Clearly, the issue of EU labour is a critical concern to businesses across the country. Open Skies agreements with the EU are critical to a viable tourism industry, with around 73% of visitors arriving in the UK via air travel. All of these issues were discussed in the engagements that have taken place as part of this sector deal bid.

Global tourism trends

- World GDP Growth for Tourism is expected to be around 3% to 2025.
- The UK is expected to grow at 3.8% to 2025.

Tourism prospects are typically driven by increases in affluence. Tourism is a cyclical sector; during

¹ KPMG, automotive report, 2014

² Deloitte: *Tourism jobs and growth, the economic contribution to the UK economy 2013.*

times of economic expansion it grows and during times of recession it falls. It tends to outperform the economic cycle - world tourism arrivals fell during the recession of 2008-2009; otherwise, with the exception of 2002-04, tourism has grown at a faster rate than global GDP. We can, therefore, expect that, except for a significant worldwide recession, global tourism will continue to outpace the global economy.

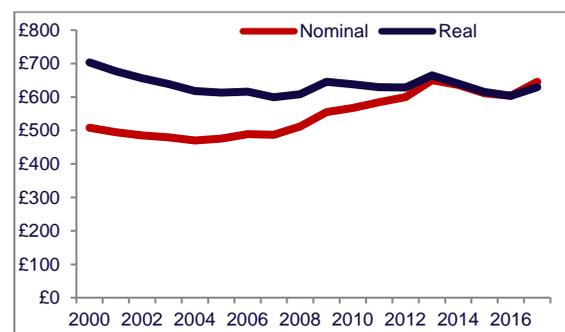
At the global level, tourism is forecast to remain a growth sector. In the ten years from 2005 to 2015, and despite a deep global recession, international overnight tourism volumes grew by 47% to 1.2 billion, and nights by 55% to 5.6 billion. According to United Nations World Tourism Organisation, tourism spending in US dollar terms grew from \$708bn to \$1.26tn.

The ten years from 2015 - 2025 are forecast to see even more rapid growth - 56% for visits and 62% for nights. This is equivalent to an increase of 5% in nights per year, well ahead of the forecast for world GDP growth over this period of around 3%.

Overseas spending

British tourism has faced a challenge in recent years – it has been increasingly difficult to convince visitors to spend more. Visits and spending have grown but when adjusted for inflation, the average amount spent by visitors has actually fallen over time. In 2015, the average spend per visit was £611, compared to an average spend per visit in 2002 of £485. However, if we adjust this to 2015 prices using the Consumer Price Index then it was £652 in 2015 prices – 6% higher than in 2002. This is despite a long term increase in levels of affluence in most markets during this period.

One reason for this is market composition. Some of the biggest growth rates in visit numbers have been among Eastern European markets. From 2002 to 2015, visits from the 13 EU accession countries grew from 677,000 (3% of all visits) to 4.2 million (12% of all visits). The average visitor from these markets spends only £330 per visit, just over half the average of all visitors.



(Average spend per visit of inbound tourists to the UK (indexed to 2016 prices using CPI))

Several other consumer and structural reasons have also contributed:

- A squeeze on living standards – it is well documented that in the United States, for example, the median income level (the income of the middle person in the income distribution) has not increased in real terms for a generation with the gains in mean income accruing disproportionately to those at the top of the income scale.
- A radical change in consumer mind-sets and behaviours that was triggered by the financial crisis and the sluggish rate of recovery in the subsequent years. The trend of *Maximising* – the consumer's desire and ability to use all means at his or her disposal to maximise their value for money from as many purchase decisions as possible – has been a prominent

feature of the consumer landscape in the past decade.

- Growing use of new technology – first, the internet in general and more recently mobile internet, apps and social media – means that today's traveller has never been better empowered to locate value for money and control spending on their trip. The sharing economy is a recent manifestation of this.³

Looking to the future, continued growth in mobile technology and the sharing economy will ensure that maximising behaviours maintain momentum. History suggests that encouraging each visitor to spend more in Britain is a greater challenge than growing the number of visitors. But this is also an opportunity; there could be large rewards if the sector can win the battle to increase the average value of each visitor

Britain in a fierce global market

The global tourism landscape is becoming more competitive. Over the six years from 2010-16, world tourism arrivals grew by 29%, with Western Europe only fractionally behind with 27%. Some of the fastest growth in tourism arrivals have been in Asia including intra-Asia travel. Arrivals to South East Asia grew by 60% during this period, to South Asia by 57% and North East Asia by 43%.

How has UK inbound tourism performed in this context? If we look at Britain's share of global tourism nights (Britain's share of global tourism spending fluctuates considerably due to currency changes) then we see that after a drop at the time of the

recession, Britain's share has broadly held up. In the years before the global financial crisis, Britain received 7% of all global inbound tourism nights and 16-18% of the share of Western Europe. The recession saw the UK's share drop, but in recent years the UK's performance has been broadly similar to the global average with the UK accounting for 5% of global and 15% of Western European tourist nights.

The World Economic Forum ranks the UK as the 5th most competitive tourism destination, behind Spain, France, Germany and the United States. The UK generally compares well to European competitors on many dimensions. Its relative strengths include Cultural resources and business travel (7th), Business environment (7th) and Air transport infrastructure (7th – although only 28th for quality of air transport infrastructure).

Relative weaknesses include Ground and port infrastructure (13th), Visa requirements (102nd), Travel and tourism government expenditure (77th) and Tourist service infrastructure (37th). In the context of uncertainty about future availability of migrant labour for the tourism sector it is worth noting that the UK is already ranked 26th for ease of finding skilled employees.

Price competitiveness is one major area of weakness for the UK. The country ranks 140th overall out of 141 on this dimension. While the fall in the value of the pound post-referendum has improved the value equation for inbound tourists, the UK also ranked 137th for ticket taxes / airport charges.

³ The average Airbnb guest spends £147 per day in the UK. (Airbnb)

We can also look at perceptions of Britain when considering competitiveness. The GfK Anholt Nation Brands Index is a survey run every year since 2008. The survey asks about perceptions of 50 nations to respondents in 20 countries (the sample is nationally representative so includes some respondents who will have visited the UK before but many who have not).

The UK has consistently held third place in the overall Nation Brands Index – an aggregate of many different dimensions – since 2011 and is in the top five for most tourism related dimensions. There are two areas of relative weakness for the UK that have been consistent each year in the survey. Britain's ranking for perceptions of its 'welcome' is a few places lower than, for example, perceptions of its historic or contemporary culture and have hovered between 10th (enjoyed in the 2013 survey, the first wave to be conducted after the 2012 Olympics) and 14th. Despite its outstanding countryside, Britain's ranking for natural beauty has been in the range of 18th-24th.

Domestic Tourism: A Competitive Future

As we have seen from the above, as the global market for tourism becomes larger, the competition for a share of that market becomes ever fiercer. Britain is a well-established tourist destination for visitors from all corners of the world, and we know that we have particular strengths in our heritage and our cultural offer, but we also know that to stand still is not enough.

As tourist habits change globally and developing markets become more interested in travel, we have to make sure that Britain is their destination of choice. But to continue to appeal to our existing,

enthusiastic visitors and to develop our appeal to aspiring visitors, we must innovate and we must do so across the entire industry.

Developing new products and experiences, as well as creating new and exciting ways to deliver our existing offer across the nations and regions should be at the heart of the industry's approach for the coming decade. The Discover England Fund has been an important first step in this approach, but there is much more to do across England, Wales, Scotland and Northern Ireland if we want to remain a destination of choice.

While over 50% of international visitor spend is outside of London, the capital is still a hugely important pull factor for both international and domestic visitors recent years have shown. To maximise on this desire of inbound visitors and domestic holidaymakers to see as much of Britain as they can, better connectivity linking both tourists and skilled workers to tourism businesses, which have been developed to meet the changing demands of the market must be our highest priorities – and this Sector Deal bid puts those priorities at its core.

Research by *VisitEngland* has recently highlighted risks in some demographics, particularly the 18-34 age bracket who have been brought up with cheap overseas flights and have visited relatively little of their own country. This is a challenge across most of the developed world, where the appetite to travel elsewhere often neglects the domestic product. Targeted, and customer-based marketing is one way of helping to change perceptions, but this trend will continue to be a challenge.

Outbound Travel Sector

The economic impact of outbound travel from the UK is an important contributor to the UK economy. The spending, revenue and jobs outbound tourism sustains in the UK is substantial, and will be vital in the future role tourism will play in the UK's economy.

Outbound tourism is an important component of the tourism economy within the UK, alongside inbound and domestic tourism. Recognising this tourism mix and the contribution that all three parts of the industry make is important for any future planning.

The overall economic impact of outbound tourism totals £28.3 billion to the UK economy (GVA), which represents 1.8% of UK GDP. This includes the direct contribution of £11.7 billion, which is equivalent to 0.8% of UK GDP. Economic modelling shows that for every £1 generated directly by outbound travel, a further £1.43 is generated elsewhere in the wider economy. This is through the supply chain supporting the industry, including manufacturing of travel products, IT, utilities and transportation.

A further £2.5 billion in growth is forecast over the next five years, meaning the industry is set to grow by 21% to £14.7 billion by 2020. This demonstrates outbound travel's potential to act as a key driver of growth within the UK economy over this period. 2016 saw Brits make over 70 million trips abroad.

In tax take and spend, outbound tourism contributes over £2.4 billion annually to HM Treasury. Outbound tourism brings more than simply revenue to the economy. Analysis of the UK jobs market finds that outbound travel is directly responsible for providing 214,000 jobs. The effect of outbound tourism is also felt more extensively across the market, creating 435,000 jobs in the wider economy.

Jobs and skills – the Outbound Sector

When examining outbound tourism's impact on jobs, we can also observe that there is a great diversity in the roles that exist in the sector. The skills and education requirements these jobs demand are extremely varied, which means the travel industry employs a diverse range of people from all walks of society. There are no barriers to entry in the tourism industry and travel often creates jobs in areas with high unemployment. The industry produces highly skilled roles, as well as providing employment to those with less technical expertise. Examples of the roles created include: *Destination reps, Health and safety role, Operations, Tour guides, Ports, Legal, and Marketers.*

A TOURISM SECTOR DEAL: The Process

Overview

Tourism in the UK is diverse and highly complex. It depends heavily on aviation, rail and road infrastructure, and increasingly on digital connectivity. Visas and international access are a lifeline to the UK's inbound market and critical to success.

The scale and diversity of the tourism sector means that it can often be seen as very broad, and occasionally fragmented. However the overall needs of the industry are clear, and the need for a sector deal is in both the industry's interest, as well as that of the UK Government.

Productivity has been highlighted as a key area for the government to shift the dial and make better use of assets, working practice and business practice. Overall, this is a very technical and complicated area, particularly in tourism where around 3.1m people currently work in the sector.

This said, the Sector Deal process has highlighted a number of important areas where productivity can be improved, with clear evidence from overseas examples of areas where the UK currently underperforms. These include seasonality, the use of assets, and creating more business visits and events to drive regional spread, and better use of venues. *As a result, the Sector believes it can improve productivity by 1% by 2025.*

Background to the Tourism Sector Deal bid

At the Tourism Industry Council (TIC) on February 28th 2017, it was agreed that a Tourism Sector Deal

bid would be prepared by October. The Tourism Industry Council, co-chaired by the Parliamentary Under-Secretary of State for Heritage, Sport and Tourism includes a number of industry leaders, trade bodies and the British Tourist Authority, VisitBritain (BTA).

The BTA also agreed to take on a facilitating role, offering long-term research, secretariat work, and a timetable for working with the industry to agree the core Sector Deal bid.

Overall Engagement

The Sector Deal bid process was the most extensive undertaken within tourism in recent years. In total 454 business and organisations fed in, 6 roundtables were held across the country and a full consultation was held.

As part of this engagement, meetings were held at a very high-level with industry CEOs by Steve Ridgway, as well as meetings with other sectors who were creating their own deals, or who had already been through the early process.

Steve Ridgway CBE

The successful early Sector Deals have all been led by successful and established industry figures who have an ability to speak to government with 'one voice'

In February 2017, Steve Ridgway agreed to lead the process on behalf of the industry.

Mr Ridgway has worked in the travel and tourism sector for over 30 years, becoming first Virgin Atlantic Airway's CEO, and leading a major expansion of the business over 14 years. He has also had extensive experience in the running of

tourism businesses, including his own hotel in Cornwall.

He continues his involvement today, as Chairman of the BTA Board, and the chair of a leading ferry company.

Working Groups

Core work streams were set up, and industry appointed leads expressed interest in helping to formulate potential ideas. Key asks were then developed from research, working group sessions and a consultation of SMEs – facilitated on behalf of the industry by the BTA. The Working Groups were as follows (*a full list of participants can be found in the appendix.*)

- **Regulation**

Looking at the core areas of regulation that impact on the industry.

- **Connectivity**

Reviewing the long-term needs of the industry from transport, digital and visa connectivity.

- **Industry of Choice**

Looking at the long-term skills needs of the industry, and future needs.

- **Industry of the Future**

Helping the industry to face the future changes likely to impact business, and identify opportunities where Britain can lead.

Leadership of the Sector Deal

Steve Ridgway CBE has been coordinating a number of meetings with senior industry figures at both UK and Global levels. These conversations

have helped to shape the overall thinking of top industry figures and to look at the longer term policy asks that the industry is asking for to help build a flourishing tourist economy into the future.

Roundtables across the UK

Tourism has different issues and concerns across the UK, and in order to recognise this, the BTA, in conjunction with sister organisations, held a series of roundtables to help shape the discussion.

Roundtables were held in: Northern Ireland, Scotland, Wales, Greater Manchester, the West Midlands and London. At each roundtable, a presentation was given on the background to the process, and then a wide ranging discussion was held, focussed primarily on the core working group areas.

Devolution

A key recognition of tourism as a devolved competence in different parts of the UK was factored into all discussions. The approach was simple: find the issues, discuss the solutions and then discuss governance. This was accepted as a sensible way forward.

In Scotland, Wales and Northern Ireland, where devolved competence extends across a number of the strands, the National Tourist Boards, and representatives of the devolved administrations made these points clear. In the English city-regions, devolved competence doesn't yet extend to Metro Mayors, however there was recognition of their influence over core areas of policy, and in the West Midlands, the Mayor attended the roundtable session.

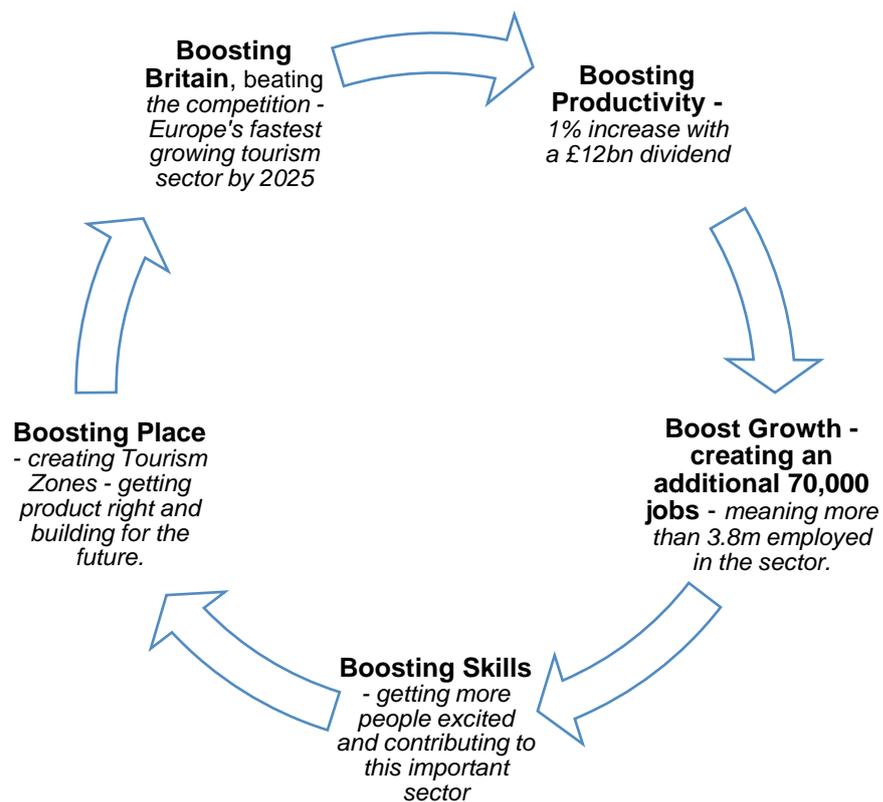
Consultation

The BTA hosted a consultation in July and August, targeting SMEs in particular. In total over 300 organisations engaged and helped to shape the overall final asks of the Sector Deal.

A Tourism Sector Deal

Ambitious for Britain's Tourism Industry

What the Sector Deal will achieve



A TOURISM SECTOR DEAL: THE ASKS

What a Tourism Sector Deal is going to deliver

Tourism is already a vital industry to the UK economy as our key evidence demonstrates. Every part of the UK benefits from tourism, every single day of the week. A Tourism Sector Deal has a clear aim of driving this success even further.

The Tourism Sector Deal is absolutely clear in its ambition and wants to deliver the following:

- **By 2025, with a sector deal, tourism will more than double and will be worth 268bn.**
- **Europe's fastest growing Tourism industry by 2025, with 1.8m additional visits.**
- **A 1% increase in Productivity will deliver an extra £12bn to the UK economy.**
- **An additional 70,000 jobs will be created, taking the total number of people linked to the sector to 3.8m. That's 10% of the UK workforce, in every local authority.**

These ambitions have been evidenced by clear asks which are place-based, productivity based and focused on delivering more growth.

Key Sector Deal Proposal

The potential for the UK tourism industry is huge. Currently a projected growth of 3.8% every year to

2025 is predicted, but this could be even higher with a more targeted approach and tourism receiving a higher 'billing' within central government. For too long, successive governments have taken tourist numbers as a given, instead of seeking to exploit the sector's potential. This is highlighted by the fact that Australia spends 37 times more than the UK in China – now the world's biggest inbound market.

The criteria for the Industrial Strategy reach almost every element of the tourism sector. From improved infrastructure, a better digital presence, and more effective selling of Britain abroad, tourism will be placed at the heart of this strategy.

The industry is also dependent on highly skilled personnel with a wide variety of skills from digital to practical hospitality skills. The key 'asks' for a Sector Deal seek to both challenge the government and provide practical and applicable policy solutions for the long-term.

Productivity remains an important component of a successful tourism economy. With seasonality a big feature for thousands of businesses, an emphasis of ensuring a longer 'traditional' season alongside new seasons – built around business visits and events, sporting occasions, cultural events and new products is really important.

One of the key targets of Government in previous years has been to get visitors to the UK beyond London and into the nations of Scotland and Wales, and the English regions. While good growth seen in this aim in recent years, more work needs to be done to help strength infrastructure, understanding our visitors and helping to ensure that the UK becomes a much more connected country. Planning

and transport planning are central planks to this work, and tourism must be a priority feature of this.

As traditional business models continue to change, many of the most advanced elements of the economy are now within tourism. Digital technology continues to change many businesses, and the sharing economy is now a global reality, with the UK a strong component player of the sharing economy revolution. Alongside online booking agents, and search engine advertising and preferencing, businesses rapidly need the kind of digital skills and online presence which was previously little thought of or imagined.

As the UK leaves the European Union, a number of regulations across different industries will be reviewed. Tourism will continue to rely on a range of pan-European legislation, particularly in relation to aviation. However there is consideration to a number of areas in which the burden on business and the potential to de-regulate would be very helpful to increasing overall performance.

Tourism

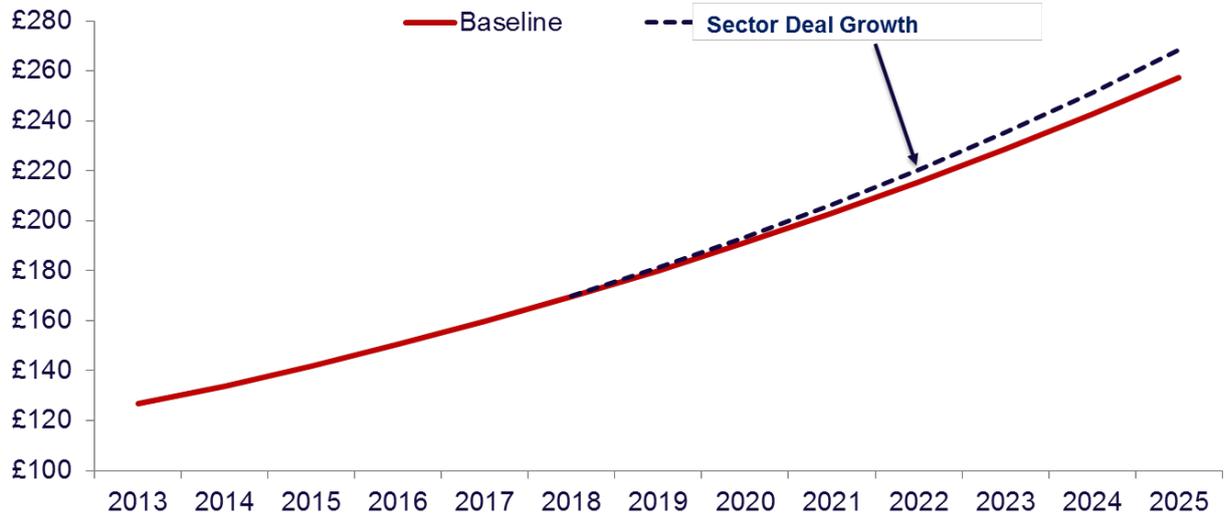
A High Performance Sector

| | Current Performance | Central Forecast: 2025 | And with a Sector Deal |
|---|--|---|--|
| Value  | £126.9bn | £257.4bn | 268.3bn |
| Growth  | Average annual growth in overnight arrivals 2006-16 UK = 1.6% Western Europe = 2.4% | Forecast annual growth in overnight arrivals 2016- 2025 UK = 3.6% Western Europe = 3.3% | 1.8m extra visits if inbound tourism to the UK had grown at the same pace as Western Europe in 2006-16 |
| Jobs  | 3.1m in every local authority linked to Tourism | 3.7m jobs by 2025 | + 70,000 jobs created = 3.8m by 2025 |
| Productivity  | Output in £ per hour £18.3 Compared to £33 in food, £28 in transport | Output in £ per hour £20.8 If real productivity follows 2006-16 trends | Increase of 1% yields £12bn additional output increase into the economy |

Tourism Sector Deal

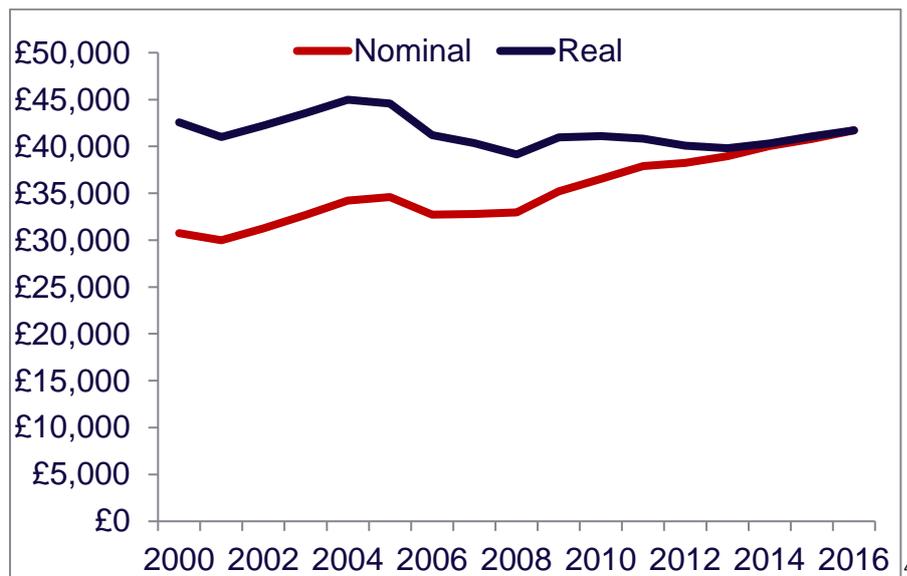
The Ambition

Increasing the growth, with improved productivity and inbound visits.



The Productivity challenge for the Tourism Industry

- UK tourism productivity (direct travel and tourism contribution to GDP per worker)



⁴ Tourism Economics

Tourism Zones

Growth, productivity and developing place



Tourism Zones

Growth, productivity and developing place

Summary

- *Tourism Zones would help develop place and product and help the UK's ambition to be the number one destination in Europe by 2025.*

Five Tourism Zones will be piloted across a five year period. Tourism Zones will build quality tourism products that meet visitors' needs and expectations, extending the tourism season and fixing localised transport issues to improve the visitor experience.

Background

London is a huge global asset for Britain and the major gateway for the 73% of our inbound visitors who arrive by air. Our challenge is to inspire visitors to explore more of Britain and, by so doing, spread the economic growth provided by tourism across the nations and regions. English regions have seen faster growth than London during 2016, up 5% and a new record in 2016, whilst Scotland has seen a rise of 6% and Wales was up 11%.

Outside of the major city destinations, the majority of British destinations are in rural and coastal locations. There is potential to boost overall business in new areas by building and developing tourism product. Some of the new 'sharing' economy and app-based tourism products are encouraging new exploration of areas not previously used to a substantive visitor economy.

Across the UK, tourism is a strong local economic component, but more needs to be done to build product, encourage an extended season, and fix localised transport issues to improve experience – especially in coastal communities. Best competitor practice has seen Tourism Zones work.

Tourism Zone Criteria

- Building on the success of the Government's Enterprise Zones, areas will bid to central government to acquire status as a Tourism Zone.
- Tourism Zones should demonstrate potential to build new and exciting product through local leadership.
- Partnership and collaboration is crucial: we expect bids to be delivered by teams combining the public and private sectors, including businesses, Destination Management Organisations (DMOs) and Local Enterprise Partnerships (LEPs).
- Tourism Zones must be built around pre-existing transport hubs such as train stations.
- Potential Tourism Zones must clearly be able to demonstrate that tourism is a dominate part of the local economy.

How a Tourism Zone will work

Local Product Development. Many international markets don't know about the many hidden gems of the UK's product outside of London. Tourism Zones would provide a vehicle for building world class tourism experiences and regional products by providing incentive and structure for destination

organisations and local businesses to work closely together.

As the Government recognises in its Tourism Action Plan, the costs of collaboration on tourism are high, as the sector is fragmented and Destination Management Organisations (DMOs) vary in the amount of support given by local authorities.⁵

Tourism Zones can provide the joined up local leadership to deliver existing and future product development funding such as the Discover England Fund, Coastal Communities Fund and the new DEFRA Food Hubs programme. Tourism Zones would offer a way of helping to find local solutions to problems – such as online visibility, bookable product, best practice models and collective offers.

Regional connectivity and the ‘final mile’. Local Authorities, businesses and transport providers will work together within Tourism Zones to deliver joined-up ticketing that can be used on train services and local buses. Tourism Zones will also provide support for regional bus and tram networks to help improve the customer experience and resolve ‘final mile’ issues when visiting regional attractions.

Most overseas visitors have a limited understanding of Britain beyond London. There are language differences, and fears of driving on the ‘wrong’ side of the road. Lacking the confidence to explore the wider scenic beauty, heritage and culture offering, independent travellers can be daunted unless they are part of an organised tour, or have prior knowledge of travelling by rail in Britain as the

Government acknowledged in its Tourism Action Plan. 72% of attractions are 1 mile or more away from a train station and 28% of attractions surveyed by VisitBritain see difficulty of arrival by public transport as a barrier to international growth.

For example, the closest train station to Chatsworth House in Derbyshire is Chesterfield. However, buses from Chesterfield do not go all the way into to Chatsworth. The closest bus stop is Baslow, which is 2km on foot. The Lake District UNESCO World Heritage Site is connected on the West Coast Mainline, but onward travel inside the Lake District is challenging.

Better public transport connectivity both to and within specific geographies, could increase the number of potential visitors – potentially reaching those older visitors who no longer wish to drive, younger visitors who do not yet have a car and international visitors who are reluctant to drive on the ‘wrong’ side of the road. By encouraging visitors to travel more widely across the country we can promote the regional spread of tourism.

Business Rates. Building on the success of Enterprise Zones, all business rates growth generated by the Tourism Zone will be kept by the relevant local enterprise partnership and local authorities in the areas for 25 years. They can then be reinvested in local product development and marketing to incentivise business retention and to help start-ups to grow the local tourism economy.

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https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/555039/Tourism_Action_Plan.pdf

Local Enterprise Partnerships. Going further than Enterprise Zones, targeted action will be taken in each of the Tourism Zones to realise the potential of tourism to the area. For this to happen, Local Enterprise Partnerships must be asked to take a more strategic and inclusive role in understanding and promoting tourism in local areas, working with Destination Management Organisations (DMOs) businesses and local authorities. Local Enterprise Partnerships must include tourism as part of their management plan.

Skills and Jobs

We are keen to promote tourism jobs in local schools and colleges to help support local job markets. Helping link education and the local economy is a vital way of ensuring more sustainability and helping to provide clear links between the tourism industry and technical and hospitality skills.

Shoulder Season Increase Targets. Seasonality is an issue, with many businesses closing at certain times of the year, reducing productivity. This is particularly the case in rural and coastal communities. Three fifths of holiday visits to the UK were during the middle quarters of the year in 2016 (28% April to June, 32% July to September) whilst around one-in-six (17%) were in the first three months of the year and a quarter (23%) in the last three months. Tourism Zones will have agreed targets set by local authorities and the Local Enterprise Partnerships for increasing the shoulder season through product development and attracting business, culture, sporting and conventions and other business events.

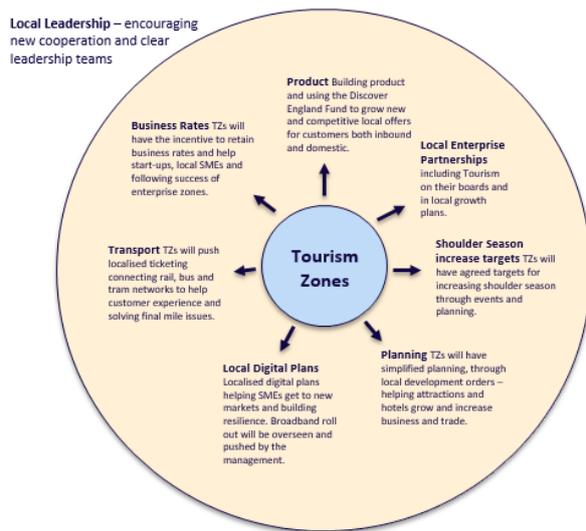
Planning. To ensure that destinations have enough accommodation and bed space to meet demand and the right mix of accommodation types (hotels, self-serviced apartments etc.) to attract overseas visitors. Tourism Zones will have simplified planning rules through local development orders – helping the local visitor economy grow sustainably to meet demand. These orders grant automatic planning permission for certain development, such as accommodations or attractions, within specified areas.

Local Digital Plans. Tourism Zones will provide localised digital plans to help SMEs get to new markets and build resilience. A localised broadband roll-out will be overseen by the management of the Tourism Zone. Tourism product is increasingly marketed, sold and reviewed online. 85% of travel booking to the UK is done online. The majority of international travellers (61%) have shared photos of a holiday online, and 42% have done the same for video, making digital connectivity vital to online tourism marketing campaigns. Globally, the biggest influence on destination choice is word of mouth, with talking to friends and family key for 40% of visitors and considerers. Allowing visitors to share their experiences online allows destinations to engage directly with potential visitors.

Digital connectivity would also help support tourism SMEs like B&Bs and rural attractions, by providing online platforms to promote tourism products, marketing content, create of joined-up, bookable itineraries, and allow for online ticketing for transport and attractions.

Case studies

Tourism Zones would have a positive impact on the UK's international competitiveness. Many competitor destinations already provide support to specific cities or regions that they have identified as popular tourist destinations.



For example:

- South Korea is creating a number “Special Tourist Zones” for areas identified as popular with inbound tourism. These zones receive financial incentives to develop their tourism offer as well as deregulation.⁶
- In 2010 the Shanghai Municipal Government created the International Tourism Resorts Zone, to create a “tourism city” through development of leisure and entertainment products.⁷
- France, Italy, Belgium, Greece, the Netherlands and Switzerland deregulate Sunday trading in designated areas that are considered to be popular with tourists.⁸

Japan's Tourism Zone Development Act allows the creation of tourism zones is to enable longer-stay travel of more than 2 nights and 3 days through cooperation among its tourism sites, with the larger goal of enhancing the attractiveness of these sites.⁹

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http://english.visitkorea.or.kr/enu/invest/support/support_tour3.jsp

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<https://news.shanghaidisneyresort.com.cn/uploadfile/2015/0714/20150714043510876.pdf>

⁸ <http://cep.lse.ac.uk/pubs/download/dp1336.pdf>

⁹ <http://www.mlit.go.jp/kankochu/en/shisaku/kankochi/seibi.html>

- India is developing five “Special Tourism Zones” as part of the Incredible India 2.0 global tourism campaign.¹⁰

¹⁰ <http://www.thehindu.com/business/budget/Five-special-zones-to-boost-tourism-travel-in-country/article17130270.ece>

Connectivity

Driving more visits from more markets than ever by 2030



Connectivity

Driving more visits from more markets than ever by 2030.

- *By 2030, we want to be driving domestic and international customers from more markets, to more destinations in the UK, at more times of the year, to spend more money. And we want them to enjoy it so much that they come back.*

Summary

Tourism's impact on national and regional economies and employment is well recognised. However, when it comes to critical decisions affecting connectivity, too often tourism's needs take a backseat to the needs of other industries or departments. As the UK economy navigates the uncertainty of the post-Brexit era, there is a risk that tourism slips further down the list of priorities at a time when it could provide a strong growth opportunity and be a driver of economic redistribution.

Fragmentation of the transport sector makes it even harder for industry to have the right conversation to influence decisions on connectivity projects and priorities. Evidence-based decision making must put a more realistic value on the economic impact both of the current tourist industry, as well as of future growth opportunities. Connecting more domestic and international customers to more places, more often, will ensure that the existing transport and visitor economy infrastructure is better utilised each day of each week, throughout the year - improving

tourism and transport productivity and stimulating further growth.

Our vision is that by 2030

Visas and ETAs are an enabler of nimble marketing, efficient welcome, and repeat visits

The increased use of Electronic Travel Authority technology in multiple languages has made applying easier and more user friendly. E-gates have sped up border processes, freeing up resource to provide a friendlier, customer-focused welcome. ETA technology for both visas and visa-waiver has provided a more intelligent way of recording visits and managing security concerns so that low risk visitors from visa markets such as high net worth visitors from China are eligible for ETAs. This has enabled a more competitive visa offer to emerging markets, and the flexibility to respond to visitor demand and major events. The improved data collection has helped to target growth opportunities and new markets, while facilitating longer 2 and 10-year visas for core markets.

Tourism is embedded in surface transport planning

The economic value of tourism has been given proportionate, evidence-based weighting in decisions in national as well as local transport plans. Governments across the UK have implemented mechanisms to facilitate systematic engagement between tourism operators, destinations and Rail Infrastructure Managers / Highways England / Transport Scotland and others on major infrastructure works. This will ensure a consistent

approach which avoids disproportionate economic impacts on tourism. Future road and rail investment programmes should identify opportunities to address tourism pinch points that hold places back. The assumption that work on roads and rail is always done at peak weekends and bank holidays is routinely challenged, especially on routes identified as critical for the visitor economy.

Capacity improvements and tax policy make developing new air and international rail routes as easy as possible

Post-Brexit, the UK has safeguarded EU and international market access for the UK, allowing us to build on the aviation and international railway connectivity we enjoy today (e.g. Air Services Agreements). A new runway at Heathrow has been delivered and a new national Aviation Strategy is in place, supporting airports with their own plans for growth. In the interim, airspace has been modernised and surface access connectivity has seen investment to increase airport catchment areas. Air Passenger Duty has been reduced to a competitive level with near neighbours to increase the viability of new routes to growth markets. The impact of fuel duty, road pricing, charging infrastructure and other road transport policy on domestic tourism is regularly measured.

Visas

Any introduction of Electronic Travel Authority's must not be used ONLY as a tool to drive cost efficiencies or enhance security. ETA requirements for visitors

from visa-waiver countries must be used as an opportunity to improve visitor experience and target marketing¹¹.

- Travel for visitors from the EU member states should remain visa-free, and serious consideration should be given to the appropriateness and impact of ETAs for these key inbound markets. 67% of international visitors come from Europe and it is essential that we continue to be seen as an open and welcoming destination.
- Government should facilitate an open, honest conversation between Border Force and the tourism industry on how we design border experience to meet the needs of tourism. This will include coordination between UKVI, DMOs, DIT, Border Force, international rail operators and airports to meet the demands of major conferences and sporting events.
- Border Force and UKVI must be adequately resourced to deliver management of border experience which prioritises customer satisfaction alongside border security.
- The pilot two-year visa for Chinese visitors must be made permanent, and extended to India and other key markets. The pilot 10-year visa for Chinese visitors has been confirmed and must be implemented speedily. Reduced security concerns around visa liberalisation following introduction of ETAs must be used as an opportunity to make better use of such multi-entry visas from emerging markets. Data

¹¹ Reduce waiting times at border (through use of e-gates) and be used as a promotional opportunity for VisitBritain to boost both leisure and business tourism;

e.g. target cohorts of low-risk visitors from e.g. China and India, high-wealth individuals, school-groups and visitors attending conferences or events.

collected from ETA implementation must be used to drive marketing to repeat visitors who have multi-entry visas.¹²

Surface transport planning

- Industry must collaborate to assist leisure travellers - universal Wi-Fi on trains, alignment of bus and train schedules and more information online of bus routes to major destinations from train stations. Apps and sharing technology should be involved as part of the mix of solutions. Industry must also explore more flexible ticketing – such as discount rail cards, electronic tickets, and availability and promotion of through-ticketing schemes (e.g. Plusbus).
- ***Creating the right institutions to bring together sectors and places.*** Undertake a review of practical models for tourism-proofing transport policy. This should include the role of all destination management organisations (DMOs) in planning to deliver a whole-destination approach, not just A-B transport. To realise the full economic growth potential of the sector, the visitor economy must be represented throughout the decision-making processes on infrastructure projects.
 - Tourism must be actively considered in any rail franchise agreement.
 - Tourism should be included in every local transport plan.

- ***Better oversight is required to quantify the economic impact of transport projects on tourism (and vice-versa), and growth potential which may be held back.*** For example, the Gatwick Connectivity Study showed that tourists are a small % of the users of the London-Brighton line, but the line is profitable because of tourists filling trains throughout the day and travelling against the peak flows. Such evidence-based decision-making is currently hampered by the fragmented nature of the sector and prevalence of SMEs in tourism, and must be facilitated by Government.
- ***Through-ticketing.*** Where appropriate the Government should support through-ticketing across various transport modes. Government leadership is essential to pilot frameworks for through-ticketing on domestic routes (e.g. priorities for through-ticket routes, etc.). This should also consider reducing the complexity of ticket pricing and enabling tour operators to contract with TOCs sufficiently well in advance to facilitate their planning.

New air and international rail routes

- The UK should safeguard EU and international market access for the UK aviation sector and international rail.
- Government must address airport capacity constraints. An Airports NPS that adequately reflects the needs of stakeholders and consumers must be approved as soon as possible, and a new national Aviation Strategy

¹² As far as is possible under General Data Protection Regulations.

put in place, supporting other airports' plans for sustainable growth.

- The Strategy must ensure aviation better facilitates tourism, meaning investment in improved surface access connectivity to increase airport catchment areas and a framework for addressing airport capacity problems (ranging from the need to modernise airspace to terminal and runway capacity constraints).
- Air Passenger Duty should also be reduced to ensure the UK aviation market is globally competitive against other leading markets, where they levy no or substantially lower departure taxes.
- The government should continue to support the development of new international rail connections, which provide opportunities for increased tourism connectivity.
- The impact of fuel duty, road pricing, charging infrastructure and other road transport policy on domestic tourism should be regularly measured and reviewed by Government.

Cross-cutting issues

- Connectivity should not be narrowly defined as physically connecting passengers with destinations;
 - It must include connectivity of communications to link customers with tourism businesses, and to enable businesses to deliver online service;

- Air quality - Intelligent design and implementation of Clean Air Zones (CAZ) will be needed to meet both environmental and economic goals, particularly delivering workable policies relating to bus and coach transport.
 - Application of CAZ and other air quality policies must avoid targeting significant sectors of the tourist economy (including older people, school groups and large organised tours) and must recognize the role of group road transport as part of the solution, given its low emissions impact per passenger.
 - Consideration could also be given to supporting replacement coach vehicles, either as an extension of any "scrappage" scheme or by contributing towards upgrading older vehicles.

Our vision is that in ten years' time, the UK transport system will offer integrated travel to visitors, with easy (through-) ticketing options and seamless links between transport modes. Strategic investment will have created additional capacity, addressed specific pinch-points in tourist connectivity, and linked ports of entry to bigger geographical areas. This will help to spread inbound and domestic tourism around the country and widen their catchment for outbound tourism. Externally, the sector will present a globally competitive offer for visitors to the UK, from the duties and taxes levied on international travel, to the accessibility and experience of our borders.

To achieve this:

- The tourism sector must sit round the table nationally and locally. It must be included by default in local transport plans and given appropriate, evidence-based weighting when discussing transport issues - ranging from planning engineering works to drawing up future growth and investment plans.
- DCMS must facilitate an honest conversation between Border Force, UKVI, Home Office, HMT and the tourism industry on how it uses visa and border policy to improve visitor experience and smart marketing as well as enhance security. This would include regular assessment of the impact of duties, taxes and visa policy on tourism numbers and global competitiveness.

Skills

Workforce for 2030; a New Campaign



Skills Agenda

A Workforce for 2030, a New Campaign

Summary

Britain's Tourism industry has been a major contributor to the UK's strong level of employment growth in recent years. It is a diverse sector. Whilst the sub-sector of Hospitality – hotels, restaurants, pubs, bars and visitor attractions - accounts for as much as 75% of total employment in the sector, travel agencies, events, tour operators, galleries and museums, heritage, adventure and marine tourism are key elements of the sector's richness and diversity. As a major sector for the economy and one which affords so many employment opportunities (especially for young people and many of those who don't want to pursue an academic career), it's obvious that any Government will want to see it thrive and grow,

But the sector is confronted with a major strategic challenge arising from the end of Freedom of Movement. The introduction to a recent report by the Resolution Foundation, *Work in Brexit Britain*, summarised it thus:

'The UK economy is about to face a dual shock of big increases in the relative cost of low paid labour and a potential reduction in the supply of it. A rising National Living Wage (NLW), auto enrolment and other increases in business costs will overlap at the bottom of our labour market with falling migration. Firms that have previously relied on low wage labour will see challenges posed to their current choice of business model. For the sectors and firms involved

that means wrestling with serious questions about what they produce and how they produce it.'

Nowhere in Britain is this challenge greater than in the Hospitality industry. This paper deals with how things are in the employment market today and how they could be better with a powerful partnership between the government and industry. But it takes no account of what would happen were recession to return to the UK; assumes no real change to the devolution settlements; does not make any provision for materially higher levels of automation in the sector; and makes no provision for an increase in the supply of labour caused by job losses in other sectors which have automated to a significant extent.

Without the right mix of government policies on Immigration reform (the Home Office); vocational education (DfE); National Living Wage and labour market reform (BEIS); and access to the unemployed or potential returners (DWP), the industry will not meet its full potential and its contribution to the British economy, and society more widely, will be diminished.

The sector recognises that many aspects of policy – Tourism, Education, Skills and local economic regeneration – are devolved matters. Not only does this affect the formulation of policy, it will also mean that recruitment action 'on the ground' is based on a clear understanding of the different approaches and funding rules in Northern Ireland, Wales and Scotland. In each of the four nations of the UK, account will have to be taken of the very different approaches to Education and Skills Development. This paper touches upon on areas of policy which are UK wide (Immigration, National Living Wage).

The commentary on Education and Skills policy in England is in no way meant to disregard the valuable initiatives in the other nations – for example the Skills Investment Plan supporting the Scottish Tourism Strategy and the Draft Skills Action Plan in Northern Ireland. By way of example, the industry led Scottish Tourism Skills Group is the focal point for the industry to address skill capability issues faced by the sector and is a subgroup of the TS2020 Strategy Group (the Industry Leadership Group). The Skills Investment Plan has identified improved management and digital skills as key together with increased levels of awareness of visitors' needs and expectations.

The Hospitality Workforce today

A recent report by Ignite Economics and published by the British Hospitality Association (*BHA Economic Contribution of the UK Hospitality Industry*) confirmed that the wider hospitality industry is the fourth biggest employer in the UK with 3.2 million jobs. Based upon the growth of the last three years (2014 – 2016), it has the potential to create a further 500,000 new jobs by 2021. Unlike some sectors that have a significant regional bias, the hospitality industry is a major employer across every region and nation of the UK. Hospitality ranks as a top 6 employer in every region and nation, accounting for up to 10% of the regional workforce.

The regional analysis shows that nearly a third (31%) of Hospitality employment is in London and the South East and this is broadly equivalent to the combined numbers for the North East, Yorkshire and Humberside, East Midlands, West Midlands and the North West (34%). The differentiated pattern of

growth across the UK is unlikely to change quickly and full account needs to be taken of this important dimension.

Notwithstanding the strong level of growth that the sector has enjoyed (and could continue to enjoy), the industry's recruitment needs are caused *mainly* by employee turnover or churn. Whilst *gross* labour turnover in Hospitality has been estimated at about 30% (meaning that 960,000 people leave their job each year) there is no absolutely reliable data for *net* labour turnover – the number who leave the sector entirely. At just 10% it would mean that the industry would have to recruit nearly 100,000 'new' people just to stand still; at 30% it would be nearly 290,000. And, of course, these numbers take no account of organic growth.

With unemployment at a 40 year low of 4.4% and the employment rate (the proportion of people 16-64 who are in work) at 75.1% - the highest since comparable records began in 1971 - it's clear that any material and sudden change in the supply of workers to Britain's labour market would have serious consequences for the hospitality industry.

This provides the context for considering the impact of Brexit. The BHA commissioned KPMG to look at the issue of EU nationals' employment within the hospitality sector and to estimate the number of additional UK workers the industry would need to recruit each year were Freedom of Movement to end and no successor immigration regime for the sector introduced in its place (Oxford University's Migration Observatory have calculated that 96% of the EU nationals working in Hospitality would not be able to work in the UK under the existing rules for non EU nationals.) The KPMG team estimated that, with

Freedom of Movement ending, the British hospitality industry would need to recruit an additional 62,500 UK workers each year.

Against a backdrop of low unemployment, and demographic changes resulting in fewer young people entering the labour market in the coming years, this is an unrealistic objective. The most recent ONS Migration statistics show that the emigration of EU nationals from the UK is increasing and employers' organisations have been united in pointing out the risk of labour shortages becoming acute. The Recruitment and Employment Confederation survey results and evidence from the Labour Force Survey routinely report severe labour shortages with over 750,000 vacancies registered at the present time.

The approach of the industry has been to argue that its reliance on an EU workforce accounting for more than 15% of the total needs to decline gradually to allow time for the industry to recruit a much greater number of UK workers. Putting aside the quantitative hurdle for a moment, there appear to be a number of qualitative hurdles which the industry needs to overcome as well. In tackling these the industry will need a strong partnership with the government. As is outlined later on the paper, this will necessitate a united campaign by the industry to enhance the image of the sector as a career of choice. The prize for the country is substantial: a thriving Hospitality and Tourism sector that continues to contribute powerfully to Britain's economy and to its international image as a strong, vibrant and welcoming country.

- **By 2030, Hospitality and Tourism must be regarded as an industry of choice**

throughout the UK, readily able to attract, develop and retain UK talent in line with the sector's skills and growth needs; thereby significantly reducing the industry's reliance on overseas employees while delivering a world-class level of service and continuing to achieve productivity gains.

The Government's Responsibility

The Sector has identified a number of policy reforms which it sees as fundamental in ensuring that the Hospitality and Tourism sector continues to grow.

- **Speedy resolution of the status of EU citizens already in the UK and a sensible post Brexit Immigration settlement which recognises the vital importance of service workers to Britain's economy**

There is increasing concern that the absence of agreement with the EU 27 on the status of EU citizens already in the UK (and those who may come before March 2019) is contributing to the recent rise in the number of EU citizens leaving the UK. In turn, this is adding to labour shortages which in some regions are acute. Whilst the sector recognises that this is a complex and sensitive part of the UK/EU Commission negotiations, a speedy resolution will help businesses with their plans for workforce engagement and development.

The Sector was pleased that the Government have commissioned the Migration Advisory Committee to recommend the principles which should underpin the country's post Brexit Immigration policy for EEA nationals. Although many organisations in the industry will be contributing detailed evidence to the MAC's review, it's important that Ministers continue to stress the importance of service workers to

Britain's economy (and society) and recognise that the Immigration system for non EEA nationals has worked against the interests of the Hospitality and Tourism sector.

It's important that the principal features of Freedom of Movement are allowed to operate during the Transitional Phase which could last to 2021. Assuming that there is a Transitional Period, a subsequent 'Work Permit' scheme needs to operate speedily without an excessive bureaucracy or a prohibitive level of cost. It is important that the new Immigration system encourages the entry of young people into the country as a third of Britain's present Hospitality workforce is estimated to be below the age of 25. Access to exchange schemes between Universities will be important and the Shortage Occupation List should include linguistic ability as a key determinant.

- **Maintaining a flexible and competitive labour market.**

The Government's decision to restrict post-2020 increases to the NLW to the increase in average earnings was encouraging (this maintaining the 60% of median earnings ratio which would have then been achieved). As one of the sectors which has been responsible for dynamic employment growth since 2010, the industry is all too aware that this could be damaged with short-sighted labour market reforms.

Whilst the industry understand why the *Taylor Review* in Modern Employment Practices was established, it is disappointed with the Review's suggestion that the remit of the Low Pay Commission be extended so as to recommend a premium rate to the NLW for hours worked above

those contractually agreed. When the NLW was announced in 2015, the Treasury also published a forecast by the Office for Budget Responsibility that there could be 60,000 job losses by 2020 because of its introduction. It would be reckless to allow for further increases to the NLW/NMW before the industry fully understand the employment effects of its introduction.

Although beyond the scope of this paper, affordable housing – in both cities and rural areas – is an important element in any overview of labour markets. The shortage of affordable housing and high rents are a major issue for industries characterised by below median average earnings and contributes to the difficulties of attracting and retaining employees.

- **Boosting the value of vocational education for the Hospitality industry by putting the industry in the vanguard of the roll-out of the new 'T' Level alternative to 'A' Levels (in England), reforming the Apprenticeship Levy and facilitating the development of Degree Apprenticeships to build Hospitality Centres of Excellence to rival those in continental Europe**
- **Ensuring that language skills and provisions are recognised as highly important to hospitality. For key roles in tour operators, tour guiding and front-of-house staffing, language skills are an essential business requirement and a significant element of providing good customer service. The Sector calls on UKVI to recognise language proficiency as a skill in any future migration system post-Brexit.**

The Wolf Report and the recommendations made by Lord Sainsbury's review into Technical Education have highlighted the significant shortcomings in Britain's provision of vocational education. These shortcomings have contributed to the skills shortage in the Tourism and Hospitality industry and the dependence on a high proportion of the workforce currently coming from the EU27.

At Westminster, the *Post 16 Skills Plan (for England)* was published in July 2016 and set out, according to the Minister for Skills in a recent statement, 'the Government's plans to reform technical education to support young people and adults to secure a lifetime of sustained skilled employment and meet the needs of our growing and rapidly changing economy.' However, there needs to be much more attention paid to *Pre 16 Education* as it makes clear that many school students have disengaged to a large or total extent from GCSEs. Putting aside the hotly debated question of whether the vocational/academic choice should be made at 14, existing programmes, championed by the Springboard organisation, such as *Chefs Adopt a School*, *Future Chef*, and the *FAB (Food and Beverage) Programme* deserve a special mention as does the *British Beer and Pub Chef of the Year*. Encouragingly, great initiatives like these are used in schools in all the nations. More broadly, the industry's work in secondary schools will need to be expanded significantly if the sector is to enthuse and attract the next generation of jobseekers.

In England, the Skills Plan accepted all the recommendations from Lord Sainsbury's Independent Panel on Technical Education including the introduction of a new framework of 15 technical routes to skilled employment, new provider-based training programmes (T-levels) based on employer-

designed standards and high quality T-level work placements. In the future, technical education will be delivered through a work based option (Apprenticeships) and a provider-based option (T-levels). Whilst the relationship between Apprenticeships at Levels 3, 4 and 5 and T-levels needs to be clarified (by the work of the Institute for Apprenticeships), there was concerns when the Government pushed back the implementation of the first round of T-Levels by a year to September 2019 and disappointment when it was confirmed that Catering and Hospitality would not be included in the first round.

Bearing in mind the widespread recognition that the industry's reliance on recruiting EU workers must decline with a concomitant increase in the recruitment of UK workers, it is a missed opportunity to attach sufficient importance to one of the structural reforms in education policy which would be of great assistance to the Hospitality industry. It is vital that Catering and Hospitality are included in the first round of T-levels development.

The Apprenticeship Levy, introduced earlier this year, is an important element in the education/employment framework. But the sector has a number of concerns with its implementation. In Wales, Scotland and Northern Ireland, presently, it operates as a straightforward business tax. This is because monies collected from the Levy are proportionately re-distributed to the home nations under the Barnett Formula with no particular requirement that they are used for skills development. In England, the fact that scheme management costs and the accommodation element of residential learning cannot be claimed from a company's Digital Account, means that the full

learning costs cannot be recovered by businesses. This needs to be addressed – especially for Degree Apprenticeships.

There is some concern about the appropriateness of many University degrees following the increase in tuition fees in England and Wales. The concerns are that the prospect of high levels of personal debt may be deterring students from enrolling on University Hospitality Management degree courses and contributing to the numbers of graduates who choose to leave the industry because of the reality of the re-payments. The industry believes that there is a lot of merit in offering degree apprenticeships and are encouraged at the early development work with the Institute of Hospitality and the Chartered Management Institute. Whilst the number of private sector employers offering Level 6 degree apprenticeships is presently low, it could be a powerful tool for offering high standards of advanced education. All of the learning is absolutely focused on business requirements and individuals would be able to obtain a degree, and essential work experience, without incurring high levels of personal debt. This would be a big change to those universities offering hospitality management degrees but it may be that the total number of students would increase. The Edge Hotel School (part of the University of Essex) have spearheaded the introduction of an intensive two year degree in Hospitality Management and this has proved very popular.

This would be an imaginative use of the Apprenticeship Levy and underlines the importance of changing its scope in order that residential accommodation costs could be recovered from the Digital Account. It is possible to see universities

becoming Centres of Excellence and some of them should have the ambition to rival established continental European hotel schools like The Hague or Lausanne or Glion. There is an obvious link to an Immigration policy which encourages exchanges of academics and students alike.

- **Guaranteeing the funding for the Careers and Enterprise Company in England in its nationwide programme of campaign activity for the industry**

A number of Hospitality and Tourism businesses have partnered with the Careers and Enterprise Company (whose remit covers England only) as they seek to establish strong relationships with secondary schools in England. Whilst this is covered in much more detail in the section below outlining the responsibility of industry in delivering the 10 Year Plan, the sector would welcome an explicit endorsement of the partnership by Ministers and an assurance that sufficient funds will be made available for the Careers and Enterprise Company's work. It is important that similar provision continues to be made by the governments in Wales, Scotland and Northern Ireland.

- **Actively supporting the industry's '10 Year Campaign' to recruit more UK workers by seconding senior specialist DWP staff and ensuring that all Local Enterprise Partnerships in England include Hospitality and Tourism in their strategic plans**

The BHA and the Springboard organisation launched *The Big Hospitality Conversation* in 2013 and, in partnership with staff from Job Centres Plus, have held more than 40 events throughout the UK. Using the BHC campaign as the basis for a more intensive

10 Year Campaign (see below) and we believe senior Job Centre Plus staff could be seconded to it. Such secondments should be used as valuable management development opportunities and would greatly help the industry in constructing campaigns and programmes designed to attract some of the 'harder to place' populations such as the long - term unemployed and people recovering from periods of ill health. Whilst it will be the ambition of the Campaign to involve MPs, MSPs, AMs, Mayors and Councillors, particular help is sought from the Department for Business, Energy and Industrial Strategy to ensure that all Local Enterprise Partnerships in England include Hospitality and Tourism in their strategic plans.

The Industry's Responsibility

- **Reducing the volume of recruitment activity by effecting a fundamental change in the level of employee turnover or churn**

Businesses know that labour shortages are going to become more acute because of changes in the population structure and a more restrictive Immigration policy for EEA nationals post the Brexit Transitional Phase. There is no single cause of high labour turnover but the intensity of work in demanding service environments should not be under-estimated. Not everyone wants to work in the evenings or at weekends and for breakfast to be offered from 6.00am requires individual team members to get up at 4.00am, travel to work and get things prepared. We also should acknowledge the fact that many employees use the hospitality industry as a great introduction to work – they get used to working in a team and learn the principles of customer service.

Shifting the 'image of the industry' is a hard but achievable challenge that needs to occur if the industry is to continue to grow and develop. By 2020, 15% of the workforce will be covered by NLW/NMW rates and, given the significant and rapid increase in labour costs that hospitality businesses will have experienced in the years 2016 – 2020, it is unrealistic to expect substantial movement on pay rates. The industry also needs to be better at communicating the reality of the scope for personal growth and development and, unlike nearly all other 'lower-paid' entry roles, many employees have the opportunity of earning additional money through tips, gratuities and service charges.

Ultimately, it is the responsibility of each business to manage their workforce and the probable challenge of labour shortages will see some businesses succeed to a greater extent than their rivals and gain a competitive advantage. To help companies address this challenge, Government policy on labour markets, immigration and education need to be constructed and coordinated in the right way.

- **Establishing and directing a National 10 Year Campaign to attract and retain a significantly higher number of UK workers**

In its discussions with government officials the BHA has explained the thinking behind its 10 Year Campaign. Immigration reform needs to be introduced gradually to enable the industry to have the time to recruit more UK workers. A so called cliff-edge with the end of Free Movement would be ruinous for the industry and reassurances from ministers have been welcomed.

The two key partners for the campaign will be the Springboard organisation and the network of Job

Centres. A national board will be established with an industry leader at the helm. The campaign will recruit its own staff and have an independent financial structure. Whilst funds will be sought from businesses, the initial attention will be on the grant - awarding charitable sector. There will be no direct appeal to the Government for funds but should the Government, for example, run a specific campaign on the recruitment of disabled people or ex-offenders, it may be that public funds are dedicated to the Campaign for such a purpose.

Other members of the board will be of prominent Hospitality businesses – including one from each of the home nations - and a representative from the Careers and Enterprise Company and the Institute for Apprentices. Whenever other organisations are needed to be involved they will be – for example the Prince’s Trust.

A key task for the national board will be to set a strategic direction and set of priorities for the campaign. Making broad allocations of management time and financial resources will be very important. In addition to the UK board, there will need to be appropriate national boards for the home nations. A meeting with the three Welsh Ministers whose portfolios cover these issues has been arranged for January 2018, and it’s vital that the campaign has the closest possible relationship with the administrations in Edinburgh, Cardiff and Belfast.

At the heart of our approach is to see Hospitality and Tourism presented in a fresh and contemporary way. There will be much less reliance on paper and brochures and much more of social media and YouTube. The BHA’s recruitment partner is an organisation called ‘Flexy’ who have spearheaded

the use of social media in the recruitment market and they will be fully involved on the National Board. Two of the most successful *Big Hospitality Conversation* events in the last two years have been those held at the Liverpool and Tottenham FC stadiums. Partnering with Premier League or Championship football clubs and Premiership Rugby clubs portrays Tourism and Hospitality in a much more dynamic light.

The principal populations we are seeking to connect with are the unemployed, school and college students and potential returners to the labour market. To a very considerable degree they have one thing in common: they are, for the most part, geographically immobile. To overcome this, 40 local campaign centres throughout the UK. London could have as many as eight; Wales is likely to have four or five; Leicestershire would be based on the city of Leicester. In each centre, we are looking to build a local campaign group drawn from the following people and organisations:

| Different Sectors | Stakeholders | Institutions |
|--|--|--|
| Premier League football club/Premiership Rugby Union club/County Cricket ground | Member of Parliament; MSP/AM; Mayor; local councillors; LEP representative; representatives from DMO | Secondary school(s); FE College; University where applicable |
| JCP staff and any relevant charitable campaign staff that may be based in the area | Local newspaper; local radio | Hospitality & Tourism businesses in the area |
| Managers and field workers from the | A National Campaign Manager (each | Significant arts/cultural institutions in the |

| | | | |
|--------------------------|------------------------------|------------------------|---|
| Springboard organisation | responsible for 10-15 areas) | area galleries/museums | – |
|--------------------------|------------------------------|------------------------|---|

Each local centre of campaign activity will draw up its own plan of action based upon its own needs and priorities. Whilst some material and content will be designed centrally, it's important that each area is able to put its own personality and priorities on the content. It would be senseless for a central group in London to design the content for use in Cornwall or North Wales – people on the ground are much better placed. Nevertheless, the national board will need to ensure that robust business plans are in place for each local area. The existence of such groups will be able to act promptly in changes in the local workforce – for example a proposal to close a regional distribution centre can be acted upon straight away with a Tourism and Hospitality Careers event organised for those potentially losing their jobs.

The active involvement of the Springboard organisation will be of central importance to the campaign's success. Established nearly 30 years ago, it specialises in the hospitality sector and has substantial experience in promoting the industry as a great place to work. It operates throughout the UK and has a staff of nearly 50 people. Some of Springboard's existing campaigns and programmes will be able to be used. Springboard presently have more than 1,000 ambassadors for schools and college campaigning and these can and will easily be integrated with the work undertaken by the Careers and Enterprise Company.

The purpose of the campaigning is to raise the profile of the sector and showcase it in the most dynamic way. But the national campaign is not a recruitment agency and the accountability for securing the right

workforce for a business will always rest with individual businesses. We want (and need) to bring new people into the industry and each centre will have to manage its way through a situation in which some businesses find it easier to attract and retain people than some others.

It is envisaged that the Migration Advisory Committee running an annual consultation exercise with businesses and other stakeholders to determine the number of work permits to be granted. If the national campaign is successful, there will be a steady year on year decrease in the number of permits issued. The real-world information from each local centre will provide the clear information that the MAC will need, each year, in making its recommendations to Parliament.

Boosting Productivity

*Britain; Europe's most productive
Tourism Sector by 2030*



Productivity boost of 1%

Britain: Europe's most productive Tourism Sector by 2030

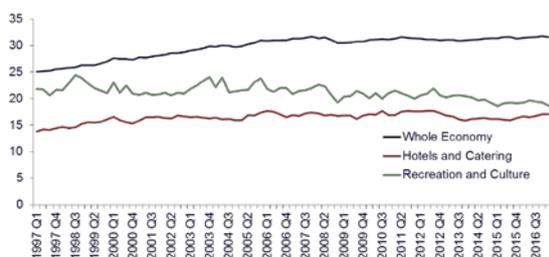
Overall, the UK's productivity – a simple ratio of financial output per unit of labour input - is lower than our key competitors, although since 2007 it has only increased by 0.6%.

UK's Productivity in Comparison (Source: Tourism Economics)



In the UK tourism industry, which employs over 3 million workers, there is clear evidence that productivity is lower than it could be. For example, Culture and recreation, and Hotels and Catering are only around half as productive as sectors such as IT, Water Supply and Insurance. In simple terms, we've fallen behind.

UK Productivity: £ per hour worked, in 2013 prices (Source: ONS)



As an industry, tourism is focused predominantly on three key aspects, these being a) transport, b)

accommodation, and the c) attraction, cultural activity or business event, and the relationship which exists between them. The associated narrative around these and its resultant impact on productivity is easily understood. Tourism is seasonal, and as the season ends a fall in demand for the attraction, activity or event, is experienced, together with an associated fall in demand for transport and accommodation. Not only does income fall, but assets are underutilised. This impacts on staff, either permanent staff have less work to do, or staff turnover increases at the end of the season. The fall in productivity can be accounted for in two ways, either as a result of a decline in asset use and the associated lack of staff busy-ness out of season.

Skills and Productivity

Skills play an important role in increasing productivity. Tourism operators need a stable, competent and well managed workforce. Currently, high levels of staff turnover mean that staff do not stay long enough nor is learning and development completed for staff to become fully operational.

Research suggests that large hospitality and tourism operators are increasing their focus on developing and engaging the progression of staff with a view to increasing staff retention and performance on the back of rising costs, changing employer attitudes and recruitment difficulties. Addressing these issues will take time, however, many large operators are on that journey.

Oxford Economics have estimated travel and tourism's direct contribution to GDP at £66.6bn, and increasing productivity by 1% would provide benefits of £666m each year. Not surprisingly, then, productivity has emerged as a key priority in

increasing the contribution that tourism makes to GDP.

This increase in productivity will be achieved through the following five initiatives.

- **A full review of Government financial support for Business Events and a new long-term, cross-departmental plan for Business Visits and Events (BV+E).**

Business Events, including conferences, congresses, and other discretionary meetings, boost Britain's image overseas and are also proven lead to other leisure visits in the long-term. While there has been recent growth that has seen BV+E overtake some of our rivals, further growth is needed to establish Britain's BV+E as the most successful in Europe and the most attractive destination globally within 10 years.

This ambitious undertaking requires joined-up thinking across departments, greater levels of coordination and support across government, a strategic focus to support priority growth sectors, the exploitation of under-utilised regions outside of London where significant capacity already exists, as well as extending seasonality in all areas.

This approach will not only ensure future resilience and success in the sector, but will also deliver significant productivity gains.

- **A national programme of events to showcase Britain's business and cultural excellence, and expertise. Direct action and support would be strategically planned with BEIS, FCO, DCMS and DIT.**

This will help to create strategic alignment across government departments with significant potential to

create a pipeline from which BV+E can exploit. This initiative is focused on the long-term, in effect making the potential market for BV+E larger by enabling the team to target and pitch more effectively, not only a wider market, but one that is also more diversified as the larger events are planned much further in advance.

- **New approaches to understanding productivity data, with a new system of measuring productivity improvements with 'way points' agreed across the sector.**

Agreed definitions are key in ensuring that all stakeholders can contribute to high-quality conversations around productivity in the future, but in a highly fragmented sector, this is currently proving to be elusive.

A new sector-specific approach to measuring productivity which takes into account both asset use and labour productivity will be developed. Such definitions will ensure that strategic objectives can be understood by all interested stakeholder, leading to more focused activity and better planning, especially in Tourism Zones.

- **Increased shoulder season in rural, coastal and towns through Tourism Zone Action Plans. Defined local targets for extended seasons would be implemented.**

Extending the shoulder season will not only increase productivity, it will also help to create greater resilience and sustainability in rural, coastal and towns. However, exploiting such an initiative requires co-ordination to create a greater critical mass of activity which will attract new visitors. Embedding the development of shoulder seasons in Tourism Zone

Action Plans will create clear objectives and targets for specific localities.

New Zealand's tourist industry faced similar productivity challenges and developed Tourism2025 as a response. That plan also identified the potential economic value in increasing the shoulder season through the development of events and localised strategies to keep businesses operational for longer, which would then also ensure that skilled workers are retained in the locality. Two years after the strategy's introduction, the combination of off-peak marketing, active pricing strategies, and development of a better off-peak offer with specific audience-targeted events, has made positive inroads into successfully extending the traditional holiday season.¹³

- **Government-set targets agreed by LEPs and Metro Mayors for increases in productivity and tourism included in local plans.**

Feedback from the extensive consultation process of the bid has highlighted the transformative impact that local enterprise initiatives can have on the local tourist industry when it is effectively integrated into wider planning processes.

Integrating government-set targets into existing LEPs and Metro Mayor Regions will ensure that both productivity and tourism are aligned with new and existing local and central government priorities, ensuring that the industry gains a voice to better inform its own long-term sustainability, and increase the region's economic prosperity in the process.

Primary Authority Proposal

That the scope of Primary Authority is expanded and enhanced to enable tourism-related trade associations and membership organisations to share Primary Authority so that the greatest number of tourism businesses are able to benefit for greater certainty as to what they need to do to comply with legislation, thereby reducing regulatory burden and improving productivity.

¹³ See Tourism 2025: Two Years On

Background

While the tourism industry represents 10% of all businesses in the UK and 9.5% of the UK workforce, the overriding characteristic of the sector is that it is composed of largely of very small businesses. Work by the UK Commission for Employment and Skills shows that of the 180,000 domestic tourism businesses in the UK, over 70% are microbusinesses and a further 25% are SMEs.

Primary Authority allows a business to choose a local authority where they have a good relationship with regulators on a specific issue, and/or where there is specific expertise.

The Government is in the process of expanding the initiative so that Trade Associations are able to sign Primary Authority agreements with local authorities. However, because of the diverse nature of the tourism industry and the more than 200 Trade and Membership organisations that represent the sector, this extension of the Primary Authority initiative will provide limited benefits to the 265,000 businesses in the sector.

Proposal to Further Expand and Enhance Primary Authority

Shared Primary Authority Agreements. Trade and membership associations within the tourism industry will be able to share Primary Authority Agreements by being able to opt-in to the agreements negotiated by other tourism-related trade associations.

This would help resolve the problem associated with the tourism industry having a large number of associations that have members with the same regulatory burden issues and allows the much wider

use of Primary Authority Agreements throughout the sector.

Being able to share Primary Authorities between Associations in the sector would ensure that the maximum number of businesses possible in the sector would be able to take advantage of their benefits.

The greater the number of tourism businesses using Primary Authority the lower the enforcement costs for individual councils who are required to administer the regulations.

Expand Primary Authority

Primary Authority could be extended to a range of areas that are outside the current scope of the legislation where its inclusion would provide considerable benefit to tourism-related businesses. This includes regulation covering licensing, gambling and planning.

There are significant opportunities to reduce regulatory burden by allowing Primary Authority agreements for some regulatory issues. For example, Primary Authority could cover the licensing of businesses that sell very small amounts of alcohol (e.g. historic attractions and vineyards that provide tastings or B&Bs that would like to offer a drink with an evening meal for a small number of guests). Similarly, there would be significant benefits in allowing Primary Authorities for planning issues such as Listed Building Consent so that owners of historic houses have greater certainty when undertaking maintenance.

Reduced costs and greater certainty by businesses in the sector as to what they need to do to comply

with regulations will help encourage investment which, in turn, will increase productivity as well as providing benefits to customers in terms of higher standards and lower costs.



Appendix

Tourism Industry Council

The Tourism Council is an industry-led board composed of employers and small businesses and representative organisations from the tourism industry. The Council will act as a sounding board and point of dialogue between Ministers and the industry.

Membership

Council members are leading figureheads drawn from across the Tourism industry including attractions, hospitality, accommodation, aviation, transport and businesses both large and small whose services are actively marketed to inbound, outbound and domestic travellers.

Role of the Tourism Industry Council & the Sector Deal

On Wednesday 27th September 2017, the key asks and evidence for a Tourism Sector Deal were presented by Steve Ridgway CBE to Council Members. This session was chaired by the Parliamentary Under-Secretary of State for Tourism, John Glen MP, and the Chairman of the Tourism Industry Council, Simon Vincent.

Council Members agreed to the key asks at this meeting.

| First Name | Last Name | Organisation |
|--------------|------------|-------------------------------|
| Simon | Vincent | Hilton – Chairman of the TIC |
| Tim | Alderslade | Airlines UK |
| Paul | Askew | The Art School, Liverpool |
| Bernard | Donohughe | ALVA |
| Pieter | Hamman | Glazerbrook House Hotel |
| Michael | Hirst OBE | Events Industry Board |
| Ufi | Ibrahim | BHA |
| Kurt | Janson | Tourism Alliance |
| Stephen | Mccall | Intercontinental Hotels Group |
| James | Mcclure | Airbnb |
| Jean-Phillip | Monod | Expedia |
| Heather | Reekie | Rabbies Tours |
| Sarah | Roots | Warner Brothers Studio Tour |

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|---------|------------|---------------------|
| Mark | Tanzer | ABTA |
| Simon | Tarr | People 1st |
| Charles | Trotman | CLA |
| John | Waterworth | Parkdean Holidays |
| Deirdre | Wells | UK Inbound |
| David | Weston | B&B Association |
| Sally | Balcombe | VisitBritain |
| Andrew | Stokes | VisitEngland |
| Rob | Holt | VisitWales |
| Fiona | Cooke | Scottish Government |

Industry Engagement

Overview

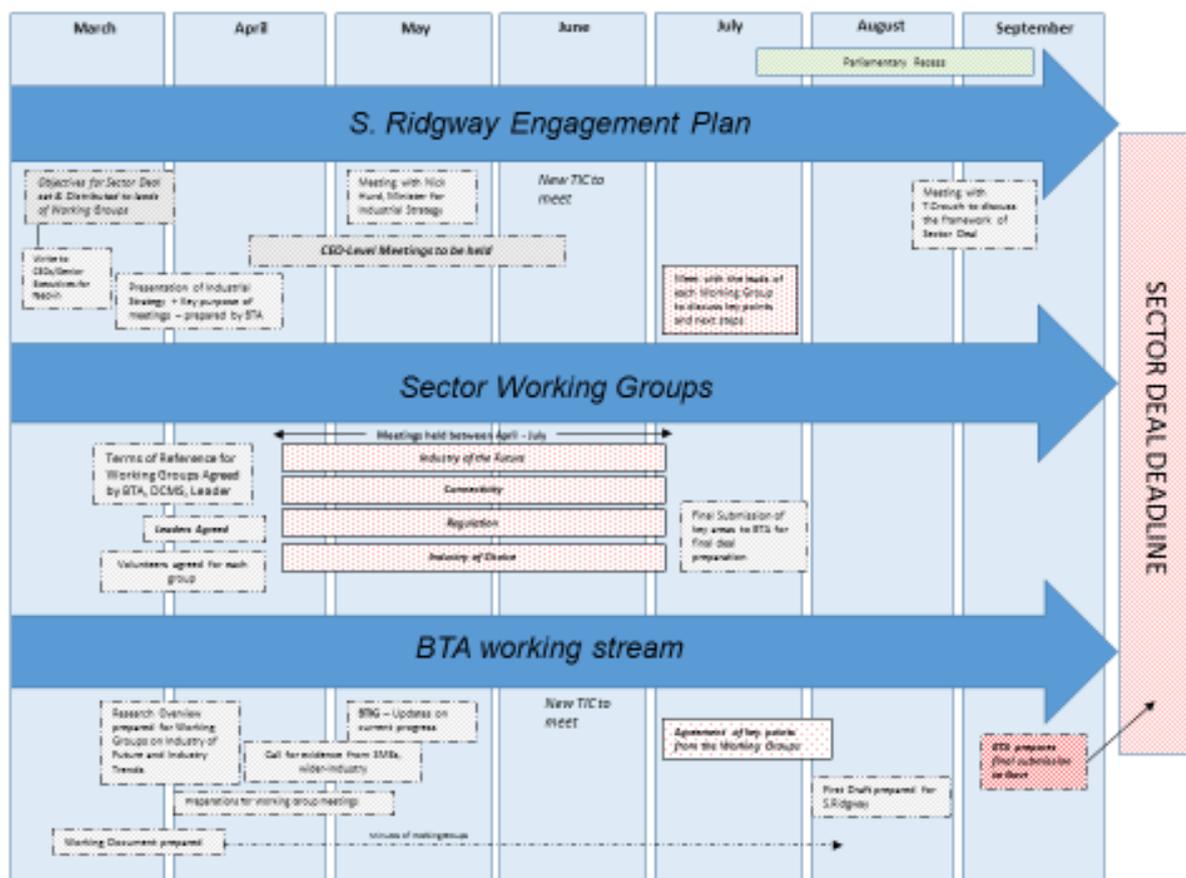
To ensure the Tourism Sector Deal was as wide as possible in its engagement, a number of core streams of engagement were agreed at the beginning of the process by the BTA.

This engagement process included roundtables held across the United Kingdom, a full nation-wide consultation of SMEs and organisations, and an industry-led Working Group process as well as a number of high-level meetings with industry.

The process was the most thorough engagement of the entire industry in decades with a record **454** businesses or organisations helping to contribute and many hundreds of additional businesses represented by trade bodies and associations.

An Agreed Process

On 10th May 2017, the BTA held an industry engagement session to introduce the plan for a Sector Deal bid. At this meeting, 3 core streams were introduced and agreed.



Sector Deal Lead

Steve Ridgway CBE agreed to lead the bid. As part of this process, he met with a number of CEO-level figures from across the different elements of the Sector, including International Retail, the Airlines, Hotel groups, sharing economy businesses and hospitality businesses. This feedback helped to shape the overall key asks of the bid, and to help inform the long-term view of the key areas that needed government intervention.

Working Groups

The Working Group process has been vitally important to helping to bring together the core areas the industry wanted fixing as part of the Sector Deal process.

The Working Groups were self-selecting, appointing their own leads and membership.

The core areas of working were:

- *Regulation*
- *Connectivity*
- *Industry of Choice*
- *Industry of the Future*

Each of the groups produced evidence and papers which have helped to craft the final 'asks' included in this document.

Roundtables

Six roundtables were hosted across the United Kingdom between June and September 2017. A full list of attendees can be found below. The discussions all focussed on the key areas of the working groups, and minutes were circulated afterwards to those who attended.

With thanks to VisitWales, VisitScotland, Tourism Northern Ireland, Marketing Manchester, the West Midlands Growth Company, and the Heart of London Alliance.

The meetings took place in the following locations:

Wales, 22nd June 2017

Scotland, 27th July 2017

Northern Ireland, 1st August 2017

North of England, 17th August 2017

West Midlands, 6th September 2017

London, 12th September 2017

The role of the BTA

As agreed at the Tourism Industry Council on February 28th 2017, the BTA would play the coordinating role of helping to produce the final paper and provide expert research and analytics.

Businesses and Organisations involved in the process

| Contact | Name | Organisation |
|--|-------------------------|---|
| Working Group - Connectivity | Tim Cade | Airlines UK |
| | Henk Van Klaveren | AOA |
| | Pernille Thomsen | BHA |
| | Peter Hampson | British Destinations |
| | Michael Hirst OBE | Business Visits and Events Partnership |
| | Simon Smith | Confederation of Passenger Transport UK (CPT) |
| | Dawn Nigli | Gatwick |
| | Cameron Gray | Heathrow |
| | Lauren Ziska | Hilton Worldwide |
| | Kristina Nordsten | L&P |
| | Matthew Hill | London First |
| | David Leam | London First |
| | Deirdre Wells | UKInbound |
| Working Group - Regulation | Kurt Janson | Tourism Alliance |
| | Brigid Simmonds | British Beer and Pub Association |
| | Jim Cathcart | British Beer and Pub Association |
| | Simon Hughes | Business Visits and Events Partnership |
| | Martine Ainsworth-Wells | ETOA |
| | Ros Pritchard | British Holiday & Home Parks Association |
| | Emma Robinson | Historic Houses Association |
| | David Sheen | ALMR |
| | Henry Bankes | Wyndham |
| Working Group - Industry of Choice | Ufi Ibrahim (Chair) | BHA |
| | Aimee Higgins | The Careers & Enterprise Company |
| | Alan Wardle | ABTA |
| | Alison Gilbert | CH & Co. Group |
| | Andrew Boer | Edge Hotel School |
| | Anne Pierce | Springboard |
| | Craig Provett | Mitchells & Butlers |
| | Dave Chapman | BHA |
| | Geoff Brown | Flexy |
| | Hazel Hogben | IHG |
| | John Guthrie | BHA |
| | Martin-Christian Kent | People 1st |
| | Oliver Crofton | Flexy |
| | Peter Ducker | Institute of Hospitality |
| | Vernon Hunte | BHA |
| William Macleod | BHA | |
| Working Group - Industry of the Future | Charles Trotman | CLA |
| | Ken Robinson | Tourism Society |
| | Kristina Nordsten | L&P |

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|---|-------------------------------|--|
| | Andrew Cooke | L&P |
| | Paul Williams | Staffordshire University |
| | Simon Hughes | Business Visits and Events Partnership |
| Roundtable - Wales 22nd June | Margaret Llewellyn | Chair of the Tourism Advisory Board for Wales |
| | Mandy Davies | Vale of Glamorgan tourism Association |
| | Neil Rowlands | Anglesey Tourism Association |
| | George Reid | Carmarthenshire Tourist Association |
| | Professor Nigel Morgan | Swansea University |
| | Roy Noble | BBC Wales |
| | Paul Donovan | Wales Adventure Tourism Organisation |
| | Ian Jones | Carmarthenshire County Council |
| | Ian Edwards | Celtic Manor Resort |
| | Rob Holt | Visit Wales |
| | Stephen Leeke | South East Wales Tourism Forum |
| | Nic Beggs | South West Wales Tourism Forum |
| | Phil Scott | North Wales Tourism Forum |
| | Steve Hughson | Mid Wales Tourism Forum |
| | Mike Morgan | Welsh Rarebits |
| | Adrian Barsby | Wales Tourism Alliance |
| | Anthony Prosser | BHA in Wales |
| Roundtable - Scotland 27th July | Gordon Dewar | Edinburgh Airport |
| | David Smyth | ASSC |
| | Willie Macleod | BHA |
| | Alasdair Smart | Scotrail |
| | Rob McKinnon | OHT |
| | Graeme Ambrose | Visit Inverness Loch Ness |
| | Peter Duthie | SEC Ltd |
| | Jane Ali-Knight | Napier University |
| | Carron Tobin | AITC |
| | Mark Tait | Cairngorm Business Partnership |
| | Marc Crothall | Scottish Tourism Alliance |
| | Fiona Cook | Scottish Government |
| | Riddell Graham | VisitScotland |
| | Lynne Raeside | VisitScotland |
| Roundtable - Northern Ireland 1st August | Colin Neill, Chief Executive, | Hospitality Ulster |
| | Katy Best | George Best Belfast City Airport |
| | Heather McLachlan | National Trust |
| | Catherine Toolan | Belfast Waterfront and Ulster Hall Ltd |
| | Mairaid McMahon | Federation of Small Businesses |
| | Kathryn Thomson | National Museums NI |
| | Karen Magill | Federation of Passenger Transport Northern Ireland |
| | Roisin McKee | People 1st NI |
| | Donal Rogan | Lisburn & Castlereagh City Council |
| | Janice Gault | Northern Ireland Hotels Federation |

| | | |
|--|--------------------------|--|
| | Deborah Harris | Belfast International Airport |
| | Iain Hoy | CBI |
| | David McCullough | Department for the Economy |
| | Tim Husbands | Titanic Belfast |
| | Susie Brown | Tourism Northern Ireland |
| | Aine Kearney | Tourism Northern Ireland |
| | Dave Vincent | Tourism Northern Ireland |
| Roundtable - Manchester 17th August | Adrian Ellis | The Lowry Hotel |
| | Nick Brooks-Sykes | Marketing Manchester |
| | Shona Southern | Marketing Manchester |
| | Bob Pratley | The ACC Liverpool Group |
| | Peter Hampson | British Destinations |
| | Denis O'Donnell | BHA |
| | Adam Jupp | Manchester Airport |
| | Peter Sandman | Liverpool LEP |
| | Kim Gowland | Museum of Science and Industry, Manchester |
| | Tom Forshaw | Manchester Central |
| | Chris Brown | Marketing Liverpool |
| | Katrina Michel | Marketing Cheshire |
| | Paul Bayliss | Chester Hotels Association |
| | Jim Walker | Cumbria Tourism |
| | Craig Bancroft | Northcote |
| | Mike Blackburn LEP Chair | Greater Manchester LEP |
| | Ruth Connor | Marketing Lancashire |
| | Nigel Wilkinson | Windermere Lake Cruises |
| Simon Berry | English Lakes Hotels | |
| Jane Sharrocks | Selfridges | |
| Roundtable - Birmingham 6th September | Stefanie Bowes | Birmingham Airport |
| | Chris Maher | National Trust (The Roundhouse) |
| | Andrew Lovett | Black Country Living Museum |
| | Jason Leach | Canal & River Trust |
| | Crissie Rushton | City of Wolverhampton Council |
| | Matt Feeley | Coventry Cathedral |
| | Fiona Lockyer | Hampton by Hilton |
| | Clare Lewis | International Dance Festival Birmingham / DanceXchange |
| | Kathryn James | NEC Group |
| | Kerry Radden | Royal Shakespeare Company |
| | Daniel Meredith | Selfridges |
| | Helen Peters | Shakespeare's England |
| | Gavin Burns | Staying Cool |
| | Rob MacPherson | Birmingham Hippodrome |
| | Malcolm Holmes | Transport for West Midlands |
| | Cath Gilbert | University of Birmingham |
| | Becky Frall | West Midlands Growth Company |

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|---|--------------------------|--|
| | Tom Marlow | West Midlands Growth Company |
| | Emma Gray | West Midlands Growth Company |
| | Andy Street | Mayor of the West Midlands |
| | Jane Fisher | Abellio |
| | Claire England | Coventry City Council |
| Roundtable - Heart of London | Ian Howarth | The Hippodrome |
| | Claude Abi-Gerges | McDonalds |
| | Linda Plant | Edwardian, Hampshire Hotel |
| | Ciarán Fahy | The Ritz and BHA |
| | Caroline Stacpoole | Crest of London |
| | Kristyn Mitchell | Villandry |
| | Ruth Jones | The Ritz |
| | Cllr Louise Hyams | Westminster City Council |
| | Kyle Monk | New West End Company |
| | Ifrah Arshad | Four Communications |
| Sector lead meetings (Steve Ridgway) | Alvaro Rey | InterContinental London Park Lane |
| | Andrew Batchelor | The Landmark |
| | Arnaud de Saint-Exupery | Hyatt Regency London - The Churchill |
| | Bob van den Oord | The Langham |
| | Colin Bennett | The Sheraton Park Lane |
| | David Morgan-Hewitt | The Goring |
| | Geoffrey Gelardi | The Lanesborough |
| | Gérard Sintès | Mandarin Oriental London |
| | Robert Whitfield | The Dorchester |
| | John Stauss | Four Seasons |
| | Katie Benson | Jumeirah Carlton Tower |
| | Klaus Kabelitz | The Belmond Cadogan |
| | Knut Wylde | The Berkeley |
| | Marco Novella | Brown's Hotel |
| | Massimiliano Binda | The Connaught |
| | Michael Bonsor | Rosewood London |
| | Michael Shepherd | London Hilton on Park Lane |
| | Paul Jackson | Claridges |
| | Philip Barnes | The Savoy |
| | Sal Gowili | The Ritz |
| | Stuart Bowery | Grosvenor House, A JW Marriott Hotel |
| | Thomas Kochs | The Corinthia |
| | Thomas Orchard | The Metropolitan / Halkin |
| | Cdre Martin Atherton OBE | Canterbury Cathedral |
| | Amanda Cottrell OBE | Visit Kent |
| | Nicola Briggs | National Trust - London and South East |
| | Peter Corr | McArthur Glen Group |
| | Louise Dando | English Heritage |
| | Helen Deeble CBE | P&O Ferries |
| | Juliana Delaney | Continuum Attractions |

| | | |
|----------------------------|---------------------------------------|-------------------------------------|
| | Bill Ferris OBE DL | Chatham Historic Dockyard Trust |
| | The Reverend Canon Dr. Philip Hesketh | Rochester Cathedral |
| | John Keefe | Group Eurotunnel UK |
| | Bill Lash | Leeds Castle |
| | Duncan Leslie | Hever Castle |
| | Andy Martin | PPS Group |
| | Sandra Matthews-Marsh MBE | Visit Kent |
| | Bob O'Connor | Howletts and Port Lympne Estates |
| | Victoria Pomery OBE | Turner Contemporary |
| | Wendy Spinks | HS1 |
| | David Statham | Southeastern Trains |
| | Sir David Steel KBE, DL | Leeds Castle |
| | Dr. Marion Stuart-Hoyle | Canterbury Christ Church University |
| | Ben Thomas | Penshurst Place Estate |
| | Frazer Thompson | Chapel Down |
| | Alastair Upton | Creative Foundation |
| | Tim Waggott | Port of Dover |
| | Jackie Westlake | Visit Kent |
| | Simon Westerman | University of Kent |
| | David Wilkinson | Bluewater |
| | Sarah Wood | Mulberry Cottages |
| | Ufi Ibrahim | BHA |
| | Patrick Richards | Cox & Kings |
| | Mark Tanzer | ABTA |
| | Michael Ward | MD Harrods |
| | Michael Hirst | BVEP |
| | Deirdre Wells | UKInbound and Tourism Alliance |
| | Jasminder Singh, Chairman | Edwardian Hotels |
| | Nick Varney | BHA Chairman |
| | Andrew Guy MBE | Ed's Easy Diner |
| | Dermot King | Bourne Leisure |
| | Grant Hearn OBE | Amaris Hospitality |
| | Ranjit Mathrani | NW Eat |
| | Robert Walton MBE | Trunkwell Mansion House |
| | Thomas Dubaere | Accor |
| | Jonathan Neame | Shepherd Neame |
| | Stephen Cassidy | Hilton |
| | Simon Vincent | Hilton |
| Individual Meetings | Robert Grant | Intercontinental Hotel Group |
| | Paul Nunny | Stay In A Pub |
| | Caroline Julian | Creative Industries Federation |
| | Natasha Mytton-Mills | Airbnb |
| | Stephen D'Alfonso | Thomas Cook |

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|----------------------|---------------------------------|---|
| | Benjamin Bell | Uber |
| | Claudia Harris | Careers and Enterprise Company |
| | Kate Nicholls | ALMR |
| | Jake Sumner | Respublica |
| | Lizzie Glithero-West | Heritage Alliance |
| Online consultations | Jane East | Natural History Museum |
| | Richard Smith | The Tank Museum |
| | Nigel Smith | Tourism South East |
| | Kathryn Simpson | National Museum Directors' Council |
| | Trevor Hedger | Dorset Councils Partnership |
| | Rebecca Cox | Local Government Association |
| | Mark Smith | Bournemouth Tourism |
| | Sara Uzzell | Bournemouth Accommodation and Hotels Association |
| | Andrew Smith | Bournemouth Transport Limited |
| | Paul Bristow | Arts Council England |
| | Lizzie Glithero-West | The Heritage Alliance |
| | Glynn Burrows | Norfolk-Tours |
| | Barrington Carpenter | Cockatoo Marketing Ltd |
| | James Morgan | Event Tech Lab |
| | Tricia Handley- Hughes | Pinpoint Britain |
| | Rosemary French | Ivyhurst Bed & Breakfast |
| | Val Hennessy | International House Bristol |
| | Simon McCloy | Shropshire Tourism |
| | Dominic Wong | Minds Ignited - we write school programmes for leisure venues |
| | Sarah Hughes | Fiz Limited |
| | Kay Dartnell | Wheely Wonderful Cycling |
| | Philip Haines | ExeterSelfCatering |
| | Paul Bridle | Specialist Guides Ltd |
| | Michael Dewey | Leasowe Castle |
| | Tim Oliver | Forestry Commission |
| | Charles Forgan | Captain Cook Memorial Museum |
| | Susan Knowles | Harling House Bed and Breakfast |
| | Kevin Vigars | Carrow Bed and Breakfast |
| | Hugh Davie | Strand House Hotel LLP |
| | John Fraser | Castle Coast Campers Limited |
| | Diane waters | The Arabella |
| | John Burnard | NewLife Guest House |
| | Ann Sandell | Walkers are Welcome CIC |
| Adele Youngs | Live Travel and Tours | |
| Flora Bennett | Brackenborough Hall Coach House | |
| Sheila Talbot | Winchcombe Walkers are Welcome | |
| Matthew Tanner | SS Great Britain Trust | |
| Annie Brown | QHotels | |

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| Deborah Matthews | Successful Stays |
| Merryn Kidd | The Bishop's Palace & Gardens, Wells |
| Simon Matthews | Matthews Associates UK Ltd |
| Brian Radam | British Lawnmower Museum |
| Nicola Harding | Conference English Riviera |
| Lesley Hornsby | Number 43 |
| Therese Heslop | Canterbury Cathedral |
| Gwyn Jones | Plas Glyn y Weddw Arts Centre |
| Mari Faulkner | Black Lion Inn |
| Daniel KilBride | trac |
| Jane Powell | Little Hare Barns |
| Jennifer Wheeler | Blaenllechog Cottages |
| Joy Walker | Yr Hen Llaethdy Holiday Cottage |
| Tony Burns | St George's Hotel, Anderbury |
| Will Garton-Jones | Llanfendigaid |
| Jethro Moore | Adventure Beyond |
| Tim Brace | FBM Holidays |
| Sarah Ferguson | Bryn LLewelyn |
| Amanda Phelps Barnett | Argoed Barns |
| Rhiannon Jenkins | Cardiff Airport |
| Jason Edwards | Tour Operater, Efail Isaf |
| Paul Beddoe | Vale Resort |
| Caroline White | Carmichael Trading Ltd |
| Glenn Evans | The Royal Oak Hotel Limited |
| Marilyn Jones | Doleos Holiday Cottages |
| Bryn Jones | Silver Birch Golf Club |
| Bill Baker | Nineoaks Angling Centre |
| Peter Denton | Make The Most Of ltd |
| Kerry Thomas | The Lovespoon Workshop |
| Elizabeth McGuinness | Llangollen Railway |
| Ian Thomas | Ian Thomas Tours |
| Stuart Berry | Pembroke Dock Sunderland Trust |
| Alison Saunders | Swansea University |
| Michael Taylor | Y Talbot, Tregaron |
| Jeanette Feneron | Crown Hospitality LTD |
| Steve Lee | Coronet Holidays |
| Suzanne Cole | United Reformed Church National Synod of Wales |
| William Differ | Delfont Mackintosh Theatres |
| J Whitehead | Bryn Elltyd Eco Guesthouse |
| Peter Rees | Erwlon C&C Park |
| Katrina Kerr | Marketing Cheshire |
| Helen Parry | Anchor Guest House Ltd |
| Mary Tebje | MTA Tourism Leisure |
| Jane and Brian Thomas | Pen Llyn Accommodation |

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| Bernard Owen | Snowdonia Safaris |
| Bryn Morgan | Bron Aber |
| Jana Jones | Glasfryn Parc |
| David Pickering | Classy Curtains Ltd |
| David James | Visit Bath |
| Jude Leitch | Northumberland Tourism |
| Alison Holland | St Madoc CYC Ltd |
| Cedric Horgnies | Threadneedles Hotel |
| John Lloyd | Inigo Jones Slate Works |
| Bryan Cath | Combe Walks |
| Sarah Callander Beckett | Combermere Abbey |
| Mark Payne | The Bristol (Hotel) |
| Antony Brunt | Yarn Market Hotel |
| Andrew Bateman | Hampshire County Council |
| Kate Blacker | This Art of Mine Ltd |
| Jana Jones | Attractions of Snowdonia |
| Katherine Daniel | Little Quarme Cottages and Weddings |
| Julie Chandler | London Town Tours |
| Julie Chandler | London Town Tours |
| John Moore | Exmoor Cottage Holidays |
| Jackie Edwards | Coach House Cottage |
| Keith Warner | Warnerwalksandtalks |
| Sybil Speechley | Crowland Abbey |
| E Tulasiewicz | National Churches Trust |
| Hugo Mander | |
| Karen Kennedy | Bagwell Farm Touring Park |
| Ashley Jones | AELTC (Championships Ltd) |
| Tricia Handley-Hughes | Pinpoint Britain |
| David Jones | ETC International College |
| Ed Hart | The Oasis |
| Sarah Lind | Bala Adventure an Watersports |
| Ann Ceresa | Britten House |
| Jan Morgan | Crickhowell Resource & Information Centre |
| J Figg | Apple Tree Bed and Breakfast |
| Mary Lee Nolan | Academic Media Network, Inc. |
| Cathy Arnold | National Portrait Gallery |
| Maureen McAllister | Wye Valley and Forest of Dean Tourism |
| Naomi Stewart | The Group Company |
| Thomas El-Shawk | Bells Hotel & Country Club |
| Jonathan Oates | Jono's Tourism |
| Karen Baines | Shaftesbury plc |
| Martin Dupee | Zoological Society of East Anglia |
| Glynn Burrows | Norfolk-Tours |
| Janet Jones | Arendale |
| Rod Chatfield | Varley house |

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| Peter Christensen | Badger Towers |
| Stephen Harwood | University of Edinburgh Business School |
| Stuart Lewton | The Commodore |
| Peter Hensman | Lake District Holdings Ltd |
| Keith Knowles | Beds and Bars |
| Richard Lewis | Lichfield Chamber of Trade & Commerce |
| David Broadbent | David Broadbent Photography |
| Rebecca Handley | Basingstoke Together |
| Philip Milton | Trimstone Manor Hotel |
| Richard Drakeley | National Forest Company |
| Karin Urban | Hotels and More Ltd. |
| Michael Shepherd | London Hilton on Park Lane |
| Steve Brown | Make It York |
| Kevin Wood | Oceana Hotels |
| Robin Barker | Services for Tourism |
| Anne Bourne | Ashby de la Zouch Tourist Information Centre |
| Alyson Barnes | Chesterfield VIC |
| Richard Compton | Newby Hall (& Gardens) |
| Brian Williams | Welsh Cottage Crafts PLUS |
| Brian Williams | Welsh Cottage Crafts PLUS |
| Brian Williams | Welsh Cottage Crafts PLUS |
| Alan Bishop | Chessman Hotels Ltd t/a Beaumont House |
| Nadine Carr | Aunt Martha's Victorian Dining Experience |
| Tricia Harris | Helmsley Walled Garden |
| Steve Keenan | Puggs Meadow Flowers |
| Kate Blewitt | Torfaen County Borough Council |
| Nigel Reed | Weymouth BID Ltd |
| Nigel Reed | Weymouth BID Ltd |
| Alasdair de Voil | VisitOxfordTours.com |
| Lynn Beddoe | Shakespeare Birthplace Trust |
| Sue Duckworth | Fact or Fiction Tours |
| Polly Martin | Historic Houses Association |
| Jan Morgan | Crickhowell Resource and Information Centre (CRiC) |
| David Smythe | Cloag Farm Cottages |
| Chloe Griffin | Broadland District Council |
| Jon Merrick | Conwy County Borough Council |
| Will Black | FSB |
| Paul Kelly | BALPPA |
| Jane Meek | Carlisle City Council |
| Sally Walters | Caerphilly CBC Destination & Events Team |
| Graham Richardson | Poole Tourism (Borough of Poole Council) |
| Jon Vernon | North Devon + responding on behalf of North Devon Council and Torridge District Council |
| Robin Barker | Tourism Management Institute |

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| Andrew Stumpf | Canal & River Trust |
| Nick Bamford | Rail Delivery Group |
| Mark Scott | Alcuin Lodge Guest House |
| Jonathan Wright | Clearwell Caves |
| Graeme Whitehead | Enjoy Staffordshire |
| Tim Oliver | Forestry Commission |
| Charles Forgan | Captain Cook Memorial Museum |
| Elaine Robinson | Broadgate Farm Cottages |
| Gill Coombs | The Cheltenham Trust |
| Brian Radam | British Lawnmower Museum |
| Ian Stephens | IST Ltd |
| Therese Heslop | Canterbury Cathedral |
| Margaret Kinlay | Redwick Property Management |
| Eoghan Powell | Carreg Adventure |
| Louise Dixon | VisitBerwick.com |
| Jeremy Martineau | Fishguard and Goodwick Chamber of Trade and Tourism |
| Bill Hamblett | Small World Theatre |
| Samantha Davies | Platts Farm Holidays Ltd |
| Pedr Jarvis | Ffestiniog Railway |
| Phil Sheeran | Motorpoint Arena Cardiff |
| Michael Taylor | Talbot Hotel |
| Ian Thomas | Ian Thomas Tours |
| Steve Lee | Coronet Holidays |
| Carol Adams | Food Adventure |
| Michael Bolsover | Plas Celyn |
| Michael Thomas | Anglesey Council |
| Louise Clement | The Fern Partership |
| Michael Thomas | Anglesey County Council |
| Ian Kirby | Talk-Tourism.co.uk |
| Sarah Callander Beckett | Combermere Abbey |
| Mark Cowell | Heddon's Gate Hotel |
| Sybil Speechley | Crowland Abbey |
| Kathryn Davis | Destination Bristol |
| Andrew Smith | Bournemouth Transport Limited |
| J Figg | Apple Tree Bed and Breakfast |
| Linda Battison | Association of Scotland's Self-caterers Ltd |
| Chris Veitch | Tourism For All |
| Sally Blandford | Wyegate Properties |
| Joanne Bradbury | The Old Dairy Tearoom |
| Adam Williams | Tir Prince Leisure group |
| Gordon Allen | Orchard Cottage |
| Andrew Mead | Pioner Hotels Ltd |
| Philip Long | Bournemouth University |
| Philip Milton | Trimstone Manor Hotel |

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| Fiona Bewers | Caravan and Motorhome Club |
| Denise Patterson | Camelot House B&B |
| Rosie Wallace | Marsham Court Hotel |
| Eliot Seabourn-Wren | The Carlton Hotel |
| Amanda Lumley | Destination Plymouth |
| Fiona Peel | Wales official Tourist Guide Association |
| Aidan Nelson | Yorkshire Food Finder |
| Sally Everton | Sally Everton Associates |
| Simon Fishwick | Visit Devon |
| Lynn Beddoe | Shakespeare Birthplace Trust |
| William McNamara | Bluestone Resorts Ltd |
| Emma English | British Educational Travel Association (BETA) |
| Richard Dickinson | TEAM Tourism Consulting |
| Jan Morgan | Crickhowell Resource and Information Centre (CRiC) |
| Lorna Handyside | Higher Wiscombe Ltd |
| Tania Robinson | South Tyneside Council |
| Richard Smith | Dorset Tourism Association |
| Samantha Richardson | National Coastal Tourism Academy |
| Richard Tyler | National Parks Wales |

SME Consultation

Review of the Responses

Overview

A total number of 214 organisations responded to the call from VisitBritain in August, on behalf of the wider tourism sector, for views on the proposed sector deal for the tourism industry. The consultation document, which was open to all small, medium or large businesses or other organisations, sought views from across the sector on the broad themes and challenges that are to be tackled in any prospective sector deal.

The vast range of organisations which responded reflects the considerable diversity of the industry and goes some way towards underlining how important it is that any prospective deal tackles the issues pertaining to the entire tourism sector and not just small sub-sections. Just over a third of the responses came from accommodation providers - ranging from holiday parks to B&Bs to city hotels - with attractions responsible for the next highest number of responses comprising 17% of the survey. The remainder of responses came from an array of different businesses, including DMOs, tourism consultants, guides, tour operators, academics, trade associations and food and beverage providers among others.

As such, the consultation sought views on a broad range of high-level issues affecting the cross-section of the tourism industry. Split into five sections, respondents were invited to have their say on the following:

- Improving productivity - how can Britain best extend the traditional season for tourism businesses?

- Better infrastructure and connectivity - what improvements need to be made for the tourism sector to prosper?
- Skills for the future of tourism - what type of skills are needed and how can the industry best plan for the future?
- Building product - where will future growth come from for the industry and how can Britain lead?
- Regulation that works - what are the key regulatory issues that need to be addressed by the government to aid growth?

Below is a broad summary of the themes that were commonly raised, as well as a section-by-section breakdown of the issues most frequently raised, which are brought together to form a broader narrative of that particular section. They are supported by direct quotes from contributors.

Overall summary of responses

The level of detail in the consultation responses varied, as could well be expected with some businesses choosing to focus their responses in certain areas, but there were some clear overarching themes that emerged across the five sections.

A clear thread from the responses is the fact that the issues of connectivity, productivity, skills and growth are all intrinsically interlinked. A significant majority of responses across the five areas noted that fundamental improvements in productivity cannot be achieved without improvements in connectivity and

infrastructure, and that through the latter it will be possible to build more innovative product, improve efficiency and attract a greater, more skilled workforce to support demand beyond the seasonal offer and into a sustainable year-round offer. There is undoubtedly something of a 'chicken and egg' effect related to this, and opinions were split on whether improved connectivity is the 'silver bullet' for growth, or whether it simply makes all of the other areas easier to improve.

A second, almost unanimous conclusion was that seasonality and the inability to attract visitors in the 'off season' is the driver of the 'productivity problem' that exists within tourism industry. If this issue can be solved - whether through new products, better infrastructure, or better regulation to allow small businesses to be more competitive - it was broadly agreed that you can create more secure jobs with greater prospects which will, in turn, create incentives for the up-skilling of the existing labour force and the attraction of new recruits. The absence of guaranteed long-term job prospects often means that prospective employees with skills that the sector requires (for example, data management and digital marketing) are going elsewhere. This creates a vacuum that is filled by those who do not have the requisite skills, which creates a lag in productivity.

A final area of consensus was evidenced with a broad desire to see the government and other policy-making bodies take account of the impact or potential benefits to the tourism industry when making policy decisions - whether regarding infrastructure, skills and training or financing. It was broadly observed by the responding SMEs that often in cases of tax, business rates, planning and infrastructure development, governments both

national and local do not give significant consideration to the needs of the tourism sector and actively doing so would be of clear benefit.

Responses to consultation sections

1. Improving productivity

There were three identifiable trends in responses to this section. As mentioned above, there is a 'chicken and egg' situation with a number of these in trying to identify specific causes and solutions to the productivity problem - but they can all be understood in the context of ways to extend the season.

Firstly, there was a desire for the development of skills - particularly in digital marketing - to enable small businesses to get their product out to a larger audience for a longer period of time, but also a desire to improve the efficiency of these businesses. A number of respondents suggested that the government should offer subsidies or provide training and assistance for SMEs who are looking to grow their business through technology or to help make efficiencies through harnessing it. The Local Government Association (LGA) noted that as demand for tourism in the UK continues to increase, a number of businesses need to adapt their model in order to cope and then capitalise and they need relevant advice and support to be able to do so.

This point is emphasised by the number of responses that referenced the VAT threshold as a barrier to increased productivity. Many operators concluded that the current threshold for businesses to pay VAT was an active disincentive for growth, meaning that businesses close even when there is

demand for their product. There was a great of frustration expressed with a system that seems to incentivise being unproductive. Proposed solutions to this varied, with many calling for the rate of VAT paid by customers to be lowered to that of European neighbours in order to make running a tourism business more profitable and thus create incentive to cross the VAT threshold. Others actually went as far as to suggest lowering the threshold at which businesses pay VAT to force them to be more productive.

The final observable trend came with the desire to encourage sector growth - i.e. business, visits and events, and heritage - in combination with improved year-round connectivity in transport and broadband, to solve the seasonality problem. It was felt by many that extension of the season, whether through developing different product around the country throughout the calendar year, or through staggering the school holidays, remains the key to unlocking productivity in the tourism sector.

Notable quotes:

"There are many business' in the village where I am based that would highly benefit from lifting the VAT threshold. Many would like to increase shoulder season bookings and promote the winter season in our area however this can be difficult due to restrictions in VAT, meaning places have to shut, and this means that the season remains quieter and has a knock on effect in being able to promote and extend the off-season and the season as a whole." - Bryn Llewelyn, B&B Owner, Betws Y Coed

"VAT reform will have the single most positive impact on investment for the future." - Dr Matthew Tanner, Director, SS Great Britain Trust

"Subsidised apprenticeships and vocational training are the best ways of increasing productivity, allied to investment in marketing and the infrastructure of the business." - Michael Taylor, Owner of The Square, Y Talbot

"Qualifications and training tourism staff are perhaps the key to unlocking greater productivity within the industry." - Richard Dickinson, Senior Associate, TEAM Tourism Consulting

"Making engagement with arts and culture a part of destination offers supports high quality employment and improved productivity." - Paul Bristow, Director Strategic Partnerships, Arts Council England

"Productivity could be increased if I were to be able to employ someone to carry out administrative tasks and help me with my website [and] social media" - Glyn Burrows, Tour Operator, Norfolk Tours

"[An i]ncrease in out-of-season visits would be the most obvious benefit for us. We only have 4 rooms to fill and have a high occupancy rate May - September, but this drops off over November to February. We try to promote 'year round' on our website and for the village, but a lots of other

businesses use this a time to close or take a break, so this is difficult when many are small family-run businesses." - Susan Knowles, Owner, Harling House Bed and Breakfast

"Increasing out of season visits would massively improve our business productivity, profitability and enable us to expand quicker. The quickest and cheapest thing the Government could do to improve the current situation (and also benefit parents/families) would be to stagger school holidays nationally, so immediately extending the 'peak season', reducing the out of season and increasing productivity, profitability and, probably, bringing peak season holiday prices down." John Fraser, Director, Castle Coast Campers Ltd

"Increasing out of season visits is something we are working on, not only because it will improve the turnover of the business, it will allow us to spend more money on better quality of attractions and visitor experience. It will also allow us to keep more full time staff and improve their training. This will then make jobs in our sector a more appealing career." - Adam Williams, Director, Tir Prince Raceway

2. Better infrastructure and connectivity

This section brought perhaps the most unanimous response from the SMEs responding, regardless of their role within the sector. That is, the basics of internet and mobile infrastructure vary wildly across the country and this inhibits the creation of a level

playing field for tourism businesses. Rural businesses were particularly vociferous on this issue, and were eager to highlight that they would first like a reliable phone signal before beginning to address the absence of high-speed internet. It is clear that the lack of consistent internet and mobile access is having a limiting impact on opportunities for growth for a number of smaller tourism businesses - both in their ability to attract customers through digital platforms, but also in being able to provide the internet access that customers now demand as standard.

A further area of contention for rural businesses is the fragmentation of the transport network. Rather than creating competition for better route provision, many felt it had the opposite effect and meant that routes were not joined up between rail, road and air - simply making travel more expensive and complex for visitors. In addition, while many welcomed measures to encourage the development of regional airports, the weight of responses noted that an upgraded road network is the biggest priority for their business.

There was also a broad consensus that the relative absence of certain public infrastructure has a damaging effect on the 'welcome' for visitors - an area in which Britain already underperforms. The relative absence of public Wi-Fi, public toilets and integrated transport were all seen as damaging to Britain's reputation as a welcoming destination. Equally, it was felt by many that the needs of tourists are often sacrificed to those of commuters in regards to transport provision - for example, construction work happening on weekends when tourists travel,

and the emphasis always being on early morning services and very few late night ones.

As a final addition to this, where it was raised as an issue, all respondents wanted a speedy resolution to the future visa arrangements for EU visitors.

Notable quotes:

"Broadband and mobile 'phone coverage needs to be throughout the entire country at a good level before we look at super-fast. We haven't even got fast yet, let alone super-fast. In some places, we haven't got coverage for mobile 'phones. That is a basic requirement for visitors." - Glyn Burrows, Owner, Norfolk Tours

"Rural businesses suffer from poor broadband & phone signal and non-existent public transport - all of which are a surprise to visitors from major cities and overseas. Poor Wi-Fi availability is commented on & complained about in post-holiday questionnaires." - Kay Dartnell, Owner, Wheely Wonderful Cycling

"Broadband & mobile services are definitely holding us back. Access to 4G is still a major issue let alone broadband." - Peter Rees, Owner, Erwlon C&C Park

"Tourism considerations in transport planning are essential. This applies to major trunk road improvement programmes, but also the introduction of environmental and low emissions zones in urban

areas." - Fiona Bewers, Public Affairs and Corporate Communications Manager, Caravan and Motorhome Club

"The lack of late evening services undermines potential to develop the night-time cultural offer which would encourage day-trippers as well as overnight visitors to linger longer and spend more." - Lynn Beddoe, Shakespeare Birthplace Trust

"Easier navigable network of UK public transport - being based in a village in the heart of rural Surrey there is limited public transport and a very limited taxi service. I continually have to drive guests to their destinations if they do not have their own or a hire car. Outside of city centres, public transport is totally lamentable." - Rosemary French, Owner, Ivyhurst Bed & Breakfast

"Better transport and border controls, such as visas, will be vital if we are to successfully weather the change after Brexit. Better transport links, better facilities at ports and airports to speed visitors through border controls and then good public transport to move them around the country not just London." - Hugh Davie, Partner, Strand House Hotel

"Surface transport planning improvement is vital - we are in the Victorian era when it comes to international airport to city/regional links and the laughing stock of other major European cities and countries." - Paul Beddoe, Sales and Marketing Director, Vale Resort

"In terms of transport planning, remedial work on lines is often timed for half-term and Christmas breaks, exactly the times when we would hope to have an increase in attendance, and they have a massive negative impact on our footfall" - Ashley Jones, Commercial Manager, All England Lawn Tennis Club (Museum and Tour)

"Banham Zoo does not have any form of public transport serving the facility. With 200,000 visitors a year we are reliant on car users in order to visit us. This isn't acceptable or environmentally friendly, however as a small charity zoo we are unable to sustain the cost to fund a service." - Martin Dupee, Director of Operations, Banham Zoo

"Better connected public transport and more public transport would help enormously -especially for the international visitor. Good superfast broadband is vital - but so is a good mobile phone connection. This is still non-existent in some areas." - Peter Hensman, Chairman, Lake District Holdings

3. The skills for the future of tourism

This section was an area in which there were perhaps the widest range of views for solutions. There was, however, consensus on the key challenges regarding skills - the relative absence of digital skills among the existing tourism workforce and the difficulties in overcoming the perceptions of what a job in tourism entails for prospective employees to the sector.

Many respondents highlighted the fact that older staff, particularly in rural SMEs, do not have the skills to market their businesses digitally. This means that, while they are able to keep the majority of their loyal and repeat customers, they are increasingly unable to bring in new visitors in what is a highly competitive marketplace. For many DMOs and tourism consultants, the absence of desire from a number of businesses to retrain in order to attract new customers and a satisfaction to simply remain put is a key driver of the productivity problem in the tourism sector.

It is, as previously mentioned, clear for many that it is not just an absence of digital marketing skills but also an absence of skills required to efficiently run a business that is hindering growth within the SME sector. The Federation for Small Business (FSB) summed this up effectively when noting that there is clear requirement for the provision of management training in many businesses which is "absolutely vital for the long-term success of SMEs".

Finally, there was a view that the poor perception of jobs in the tourism industry is proving difficult to overcome for new entrants. The roles that do exist are perceived as having long hours, poor pay and prospects - and this is something that is magnified in many tourism hot spots by poor provision of housing and other public services. It was felt that there needs to be investment in training, not just for the young, but also for the older population, to reverse this trend - something which can be done not necessarily through increasing the provision of training, but instead improving the access to it by raising awareness and helping with costs.

Notable quotes:

"The perception must change so that young people aspire to work in the tourism career. A top down bottom up approach. Government and Schools must value the industry for its economic contribution and the fact that it offers genuine prospects for young people. Meanwhile the industry must up its game - mapped-out career paths, decent wages - minimum wage is not sustainable for anyone long term, fair working conditions (reasonable hours, comfortable environment), offer a quality service and product. And training. Training is the most important thing for our business. It empowers our staff, giving them the skills they need to deliver a quality product and service that keeps guests returning time after time."
- William McNamara, CEO, Bluestone Resorts

"With our ageing population it is so important that we have a structure to retrain our employees in the work place; the key to long term success will be training"
- Tim Brace, Partner, FBM Holidays

"A comprehensive skills strategy for what is largely still a people industry is the singularly most important area of the industrial strategy." - Nigel Smith, Tourism South East

"Skills is a top priority across the board, with one of the biggest factors being lack of recognition amongst many of their need for greater skills. Digital skills remain poor amongst many but addressing these needs research and promotion, not just extra

provision." - Robin Barker, Director, Services for Tourism

"Access to training funding is a challenge: better signposting is required to ensure that businesses know what is available and can access it." - Jane Meek, England's Heritage Cities

"We would welcome more assisted industry standard training such as Selling skills and Welcome host, hospitality courses" - Jonathan Wright, Director, Clearwell Caves

"As an SME one of the big challenges for us is the cost of training. We usually pick up training offered by organisations with funding from the European Social Fund, the latest example being Hull College UK. How we will access training after Brexit is anyone's guess." - Tricia Harris, Marketing Manager, Helmsley Walled Garden

"The digital world is increasing in our businesses day to day, however, there still needs to be a great emphasis on excellent customer service. The toughest challenge in recruiting staff is finding enthusiastic and helpful individuals who see the hospitality sector as a career choice, and then to keep those staff." - Samantha Davies, Owner, Platts Farm Holidays

"Digital and social media skills are already essential in tourism. Some small businesses have embraced

new technology, but too many have not.” - Bryan Cath, Proprietor, Combe Walks

“Skills for our industry are very specific and take a huge amount of investment from the staff member and us as a company. Any support in this area would be great.” - Jethro Moore, MD, Adventure Beyond

4. Building product

There was broad approval for the concept of tourism zones among respondents, with the caveat of wanting to understand slightly more what was entailed and on the proviso that they provided a material difference to the work of existing DMOs, LEPs and Tourist Boards, or at least brought those actors closer together. It was felt by some that a ‘one size fits all’ approach for tourism across the country will not work, and regionalism must be the strategic way forward - but this was countered by others who wanted to remove the ‘postcode lottery’ that can exist when it comes to tourism funding and would instead prefer more central funding.

There was widespread support for initiatives such as the Discover England Fund and other, more localised, examples. However, a persistent complaint from SMEs was that they are unable to compete with their bigger competitors in the bidding process for these funds. A number of different voices called for more support to be provided to micro-businesses in grant applications, or for there to be ‘less bureaucracy’ in the application process. As an alternative to this, the LGA suggested that funding pools from various government departments could be streamlined into specific tourism funds that could

allow ‘area-based’ bids and then be distributed to businesses accordingly.

Once more, many responses in this section highlighted the need to increase the capacity of internet connectivity across the country to develop the product that customers are demanding. It is felt across the board that poor connectivity means that digital opportunities are being missed, with a particular useful example coming with the fact businesses which do not have a workable mobile site are now activity punished in their ranking on search engines. It was felt by many that the disparity in connectivity between rural and urban areas means that rural product, even when of a high standard, is being left behind.

A final point made by many respondents had less to do with building product and more to do with product distribution. There were particular grievances that the large OTAs are able to dominate the marketplace, often at the expense of smaller and less well-resourced operators. There were a number of calls for a centralised booking platform for all British product to act as a counterweight to this.

Notable quotes:

“Mobile bookable product will be the future method of choice and we should be training ourselves and gearing up for it” - Daniel Kilbride, Director, Trac

“World class products require first class infrastructure” - Aidan Nelson, Director, Yorkshire Food Finder

"We currently don't have the digital capabilities or budget to offer services such as online tickets, direct debit Memberships online or mobile purchases. We would love to be able to offer this and believe it would greatly help our visitor numbers. It would also help the Marketing function with online attribution as despite driving large numbers of traffic to our website, it is not clear how many of these come to the site to actually visit!" - Merry Kidd, Marketing & Communications Manager, The Bishop's Palace & Gardens

"Any tax incentive, whether through Tourism Zones or not, will help build new product." - Therese Heslop, Director of Visits, Canterbury Cathedral

"Creation of tourism zones with potential incentives would create greater public/private sector working [relationships] and the development of clear strategic plans for the future development of tourism in those areas" - Graham Richardson, Tourism Manager, Poole Tourism

"Grants to fund digital training and the purchase of appropriate hard and software are essential if the SME tourism sector is to not just survive but thrive - digital is evolving so fast [that] SMEs simply do not have the ability or budgets to keep up." - John Fraser, Castle Coast Campers

"The incentives in our area are non-existent for our type of business. Customers expect a modern new environment when we are a heritage attraction, the lack of Money to update areas is our biggest issue

and trying to change this is extremely difficult" - Elizabeth McGuinness, Llangollen Railway

"We make applications for grants and funding, however it is always a challenge despite the fact we know the opportunities we offer will create jobs and growth. The red tape for accessing funds is onerous and contradictory." - Martin Dupee, Director of Operations, Banham Zoo

5. Regulation that works

As is often the case with regulation, this proved to be the most divisive of the topics within the consultation. Opinions were split on the effectiveness of LEPs (often depending on geography), although there was broad agreement that they should all be mandated to include tourism within their economic strategies and, as a whole, do more to reach out to tourism businesses and integrate them within their planning processes.

Opinions were equally split on whether specific regulations were burdensome or necessary. Some preferred a 'common sense' approach to fire regulations (among others) that would ease the costs of compliance, while others felt that the existence of regulations was necessary as long as they were applied consistently. However, a point of consensus did emerge within accommodation providers, who felt that businesses listing on OTAs and STRs should be compelled to meet the same appropriate standards as B&Bs, Hotels, or other accommodation providers, so as not to allow an unfair competitive advantage for the non-compliant. Similarly, as expressed above, there was a frustration at an

absence of regulation to protect smaller businesses from being forced to pay high commission to OTAs who dominate the market.

On issues like bed taxes, there were those who were in favour of raising revenue and equally those who did not want to discourage tourists through the creation of additional expense, highlighting the difficulty in finding an amenable middle ground on areas like this and others noted above.

The area which created greatest consensus was around changing the tax system to act in favour of promoting growth. Many of those consulted expressed their frustration at being charged VAT on any development works to expand their business and saw it as a specific inhibitor of growth. This observation was particularly prevalent among those representing the heritage sector, who are seeking the reversal of the removal of relief on restoring listed buildings. Furthermore, it was often highlighted that expansion was often actually held up by the planning and environmental protection systems. Indeed, while demand for new product may grow in a particular geography, the development of accommodation to service this product growth is unable to keep pace as a result.

Notable quotes:

"There is a need to embed tourism within Government policy and regulations, ensuring that the range of Government policies (e.g. rural, environmental, transport, economic, planning etc.) is

'tourism-proofed'." - Jon Vernon, Strategic Development & Policy Manager, North Devon Council

"More flexible planning regulations would help, and if LEPs do not already include tourism in their economic plans [then] change the LEP" - Michael Dewey, General Manager, Leasowe Castle

"Let's have consistency and clearly set out targets and standards [with] which we can all become familiar with and aim towards on a UK level." - Gwynn Jones, Director, Plas Glyn y Weddw Arts Centre

"Unnecessary planning conditions, rather than regulations, is the biggest obstacle. - Marilyn Jones, Director, Doleos Holiday Cottages

"Planning is a big hurdle, it is not consistent and is detrimental to the growth and improvement of what we offer to guests. Improvements such as installing double glazing, sound proofing, heating and internal renovations should be allowed as these are things guests expect, and if the premises do not have quality in these areas people will not come back. B&B's have to be better than they have at home." - Stuart Lewton, Owner, The Commodore



The Roundtables

Wales, Scotland, Northern Ireland, Manchester and beyond, the West Midlands and London

Roundtable Engagement

Overall responses and points made during the key sessions.

Between June and September 2017, roundtables were held across the nations and regions of the UK. The BTA would like to thank VisitScotland, VisitWales, Tourism Northern Ireland, Marketing Manchester, the West Midlands Growth Company (and the Mayor of the West Midlands), the Heart of London Business Alliance for their facilitation of these important events and all of those who took the time to attend.

Edited notes from each roundtable discussion are noted below.

Wales

Industry of choice

- A broad agreement exists that there are great jobs in the tourism sector but that this isn't understood or communicated by the Government or the industry itself.
- A lot of interest for young people ambassador programmes in schools to promote a more positive image of the possibility and potential of hospitality careers.
- Importance of teaching hospitality skills in schools and not just at Higher Education level.
- The challenge of addressing the skills shortage in the hospitality industry post-Brexit could be a way of framing the challenges and opportunities of making tourism the "industry of choice" in terms of career selection.
- Addressing the skills gap is needed for the UK to compete internationally.

Connectivity

- Integrated transport and through ticketing identified as important measures in increasing tourism footfall.
- APD (Air Passenger Duty) was identified as barrier that should be devolved and reduced (apart from London airports which the group felt had enough brand strength to compete regardless).
- Roundtable was supportive of a cheaper visa with a simpler application process.

Industry of the Future

- The BHA called for digital disruptors to be better regulated
- 5G rollout was called for as 4G is no longer sufficient for major public events.
- Broad agreement from the Group that tourism businesses should always be represented during overseas trade missions.

Regulation

- Planning systems should reflect the needs of the tourism sector to balance environmental protection of landscape but also allowing for hotel (and other) developments.
- Agreement that flexible, or staggered, school holidays would assist domestic tourism and extend the season.

Scotland

Industry of Choice

- Developing skills identified as key to boost productivity.
- Closer working with schools in order to raise the value of industry-appropriate core skills such as digital, language, etc.
- Attracting talent after Brexit was identified as a concern
- Disconnect in rural areas (like the Cairngorms) between % of jobs in tourism and lack of skills offered in local schools.
- In winter businesses closed and seasonality puts people off choosing careers in tourism
- Accommodation & affordable housing an issue for many workers
- Some jobs in hospitality don't offer equivalent of a full working week. Transport (in rural areas) and childcare (unsociable hours) are also factors.
- The perception of the industry is too narrow. Definition of tourism needs widening to include transport, hotels, retail events, as these all provide significant potential.
- The industry needs to present itself in a better way. Look at the growth of SMEs and the creative element to jobs.

Industry of the Future

- Brexit, sharing economy and OTAs look set to dominate the landscape in the future.
- Credit card fees are being banned, but others fees could easily be looked at too.

- Businesses are operating alongside homeowners, need to review regulations to ensure a level-playing field.
- Work on quality as an answer. Disruptors and the established industry are working on different levels.

Regulation

- Concern over Primary Authority and Scotland being some way away from this model.
- Motivation to look at digital. Online bookings can cost around £10 per booking and switches businesses away from choosing.

Northern Ireland

Industry of Choice

- Skills action plan for tourism should include maximising promotion of the Sector and focus on retention.
- Northern Ireland Industrial Strategy, working with BEIS to seek alignment. Team in NI civil service are looking at pulling responses in. Recognition exists that tourism is weaker than it should be.
- Existing workforce, needs to be encouraged and see a change of priorities. Access to labour is a big issue. By 2024, there's a need for 2,000 chefs, before Brexit. Visas play a part in this too. Regional deviations need to be taken into account.
- High tech end of skills is given priority, and skilled and managerial isn't reflected in the "eyes" of politicians.
- Tourism sees a bigger growth than agriculture, yet there are more agricultural areas reflected in policy.
- Volume of skills is a big issue. Problem starts with parents, and the industry isn't seen as attractive, and skills are invisible. 15-18 year olds are prioritised in education, but it's too late for tourism.
- Skills agenda is closely linked to the image agenda. "Tourism is creating jobs, but not careers." Need clear career paths and show how the skills are transferable.
- Curriculum needs to be reviewed to start at early ages. The industry needs to be seen differently - average salary is £36k per annum - well above average, yet it is misunderstood.

- Careers advice and teaching doesn't recognise the potential. The value isn't considered.
- Large number of SMEs, and micro businesses, aren't equipped to boost productivity because of the work environment, and the drive towards more professional, and widened to take scale into account.
- All funding is up to 25 years of age, and doesn't look above at those out of work, and reskilling demographic. We need government to invest alongside business.
- Apprentices and their funding is focused on 16 to 25, and not above. Programme of chefs who reskilled in previous years had brought "gravitas" and experience with them which was very valuable.
- 16% of visitors are from overseas. Languages don't take a big role in skills. Tends to focus on tour guides and baggage handlers where hosting is focussed. Pilots have taken place where people have languages and then are trained, not the other way around.
- Modelling around VAT threshold to show increase in seasonality.
- VAT is a disadvantage because of the Republic and European competitiveness. VAT in ROI is 9%.

Industry of the Future

- Challenge in NI, is putting the visitor at the heart of the experience. There are too many strategies, digital platforms, and not enough alignment. "Path to Purchase" is a piece of working being done to make sure that content is being placed in the right location. However, we don't understand what our customers are doing in terms of their itineraries across the island. A data vacuum stops an understanding of behaviours and getting people to stay longer and spend more. Building an industry that understands the customer better is fundamental.
- Creating competitive advantage is about making the customer journey easier and enabling a system to happen without duplication. Crossover of digital and content needs to be worked out. Match making content makers and digital is under way.
- Broadband is an issue because too many areas are left behind. Business are losing out.
- Videos, and storytelling is so important and sharing is developing this, so we need to have the ability for people to share. Visitors expect connectivity, and they can't get this currently in too many places.
- Quality of the visitor experience is important, and understanding what they're doing and how we stay in touch with them. Balance between promotional elements of digital, alongside the delivery of surface. Presence on big platforms is a dual side.

- Attraction of inbound, and then dispersal is critical in Northern Ireland.
- Airbnb legislation is different in Northern Ireland. Tourism Northern Ireland register all accommodation providers. Airbnb helps supplement accommodation in hot spots. Airbnb is a globally known platform and is about experience.
- Product of the future is important. Heritage and culture will exist, but also the virtual experience will become more important.
- Issue around dispersal. Challenge is how you get people further and to look again. Infrastructure is a barrier to some of this.

Connectivity

- Public transport is an issue. Just going across Belfast is a challenge, let alone across Ireland. The critical mass isn't there. Private sector is critical to success. Extending the season is an important part. Accessing part of Northern Ireland is difficult outside of peak times because of demand from local population.
- Transport strategy needs to be connected with airports, product and overall access. Connectivity to airport is difficult. There is no train, and there's a high reliance on car hire. There's a strong bus link, but the critical mass isn't there. Dispersal isn't really a possibility from airport. Connections to Dublin are limited.
- Good opportunity for collaboration and looking at joining up product. Government could look at incentivising.
- Uber isn't a feature yet in Belfast where the mass is present. Only 35 drivers in Belfast.
- Currently only 0.3% of government budget in Northern Ireland spent on tourism, yet hotels spend £400m investment. The approach is missed from NI.
- Economic development is often missed on route development. Business travel and tourism work hand in hand. Integration of understanding is needed. FDI and Tourism needs to be brought together.
- Accessing the island of Ireland is critical. Ensuring the frictionless border travel. Significant number of visitors come via Dublin, so visas become really important to resolve.
- Perception of visas is important. Making sure that customs and borders are not reinforced. Costs of goods will also be added to.
- Business tourism is important, and the need to grow internationally and visas would impact upon this. Competition of visas and price sensitivity is important to understand. 3/5 year lead in time

for big conference, some reluctance from European businesses and delegates nervous about instability. Events are absolutely dependent on visas.

Regulation

- APD, access is key. Dublin is a gateway and we need to open up routes and APD is a barrier to competition. Middle Eastern routes have grown to 40 flights a week from Dublin. Belfast struggles to offer the same because of charges.
- Long haul can be sustained by local population, but there isn't the critical mass of business class. Partly due to unknown nature of the north.
- High resilience in U.K. Market, and APD plays a role in pushing up costs. Protections are predominantly European, so we want to ensure that post Brexit protections are put in place.
- Planning rests with councils in Northern Ireland. Sunday licensing and trading is important because it's strict for hospitality and consumer shows. Small changes would create a better visitor experience.

North of England

Industry of Choice

- Business events helps to support inward investment and a setting for the strength of other sectors, and there's an opportunity to look at how other Sector's strengths are underpinned by tourism.
- Some felt that devolution (in the nations) creates a disadvantage in financial support for business tourism.
- Opportunity for international bidding, and venues could compete at a national level, but local infrastructure is not as strong as it could be. The capability of international events isn't present at the moment. Resource gap for bidding for international events, lack of "ambassadorial" level.
- Big skills shortage. Hospitality background is at a premium. There needs to a wider campaign to look at attracting people to look at working in this sector.
- There's a big turnover of staff because people acquire skills and then move on. Attitudes need to change to understand that tourism trains many people.
- The education around the broad range of jobs and occupations available and the opportunities available.

- The Sector is heavily dependent on migrant labour because of the low unemployment rate in many areas of tourist activity. Post Brexit there will be a problem around the issues caused by the exchange rate.
- Government should understand the scale of job creation and the number of jobs that exist because of tourism.
- Career progression is one of the biggest sells for many people looking at the industry. People should look at the huge opportunities available.
- Tourism businesses train many people for the future and for future careers and it is often many people's first experience of any work and leaves a lasting impression. The government should do more to recognise this importance.
- Engaging young people at primary and secondary level education to look at tourism is crucial for the long-term.
- Skills/Productivity/Competitiveness – Employer responsibility for retention in terms of pay, working conditions, development etc.
- Structures – The role of DMOs delivering elements of sector deals locally – in practice this can't just happen from the centre.
- Legislative Changes – Local taxation/levies etc as a mean of generating more investment from the private sector back into local tourism economies.
- GVA – Additional income from domestic (minimising displacement) and international markets in creating the economic case for investment.
- The Edge Hotel School struggles to fill the spaces that it has available. Parents are also critical to convince of the potential.
- A National Campaign could be one solution to encourage people to look at hospitality roles.
- The flow of those leaving FE/HE isn't geared towards the long term of the hospitality industry. The success rate and the drop rate of skills to job conversion should be looked at.
- The Sector is already adjusting itself to deliver the minimum wage.
- The structured process of how skills and how people are developed adds to the overall productivity problems. It isn't as joined up as it should be.
- Retention of staff adds to productivity. Being competitively placed for the international market needs to be reviewed, especially around language skills and the growth markets. Attractions face these issues most acutely.
- For international events, and hospitality, languages are nice to have but they're not essential in many parts.

Productivity

- Infrastructure is the answer to fixing productivity. Overall, the value over the number of heads delivering the service can be improved, but only through capital investment. There hasn't been consistent policy from government on investment.
- Automation is driving productivity in other sectors, but tourism will always need people and skills. Education, investment and infrastructure should fit around skills. Far too often, tourism is on the back foot, defending itself.

Industry of the Future

- AI is becoming increasingly talked about as an area for growth in many other sectors and it will create more time and more of a focus for the leisure industry to fill time.
- How do we create our own demand? How do we stimulate more demand, because supply is driven by demand?
- Rural leadership is struggling because of the reduction in DMOs. Management is a critical issue. Tourism is an unmanaged asset, and without clear management and leadership, this could create problems around regulation.
- The Public and Private Sectors should be working much closer together. The digital experience is important too, driving people towards attractions and that's through collaboration.
- The Public Sector's ability to promote the private sector is dwindling and it's a gap which is getting wider and causing problems.
- Why isn't technology being used to create funding for tourism promotion? The visitor could potentially contribute through new digital means.
- Industry of the Future needs to look beyond London, and at pushing visitors outside of London and the South East.
- Improving the book ability of product and how people access product is important to boosting the spread of visitors across the country.
- The growth of the future comes from international visitors, and this means growing international markets.
- Retention of Visitors through the number of people going abroad. VisitBritain could play a role a how overall research, competition and targeting is done to reduce waste.

- Sharing big data and how to build overall understanding of business customers. This means business working to promote the whole of the industry.

Connectivity

- Government can help in two ways a) promotion and understanding of the regions and b) connectivity during leisure time - making it easier to travel around the country at weekends/evenings.
- A focus on how our European competitors raise capital, market and how they raise taxes. Hospitality contributions tend to be stronger and it needs to be looked at.
- Tourism plays a big role in building place and distinctiveness and supporting the building of other areas. Connectivity is vital to building this and helping to promote. It then builds and links into the wider industrial strategy.
- There needs to be a look at a regulatory contract, and the ability through legislation to review taxation at a local level.

West Midlands

Industry of Choice

- It was noted that Russell Group Universities do not do courses relating to hospitality and this gives the perception that these courses are not of value or not prestigious enough.
- As in other roundtables, the Army's career campaign was praised as a possible model to follow – particularly their focus on in-work training and qualifications.
- T-levels were identified as a possible way to make “vocational training” more respected by students and employers.

Regulation

- There was broad support for more resources for DMOs. It was argued that tourism marketing boards no longer exist in the same way that they used to. Often it is hotels who take the brand lead in promoting certain areas.
- The importance of business tourism to extending the shoulder season was noted.

- The issue of subvention in route development and in attracting international conventions and events was raised. The devolved administrations already do this but Birmingham and other successful conference sites in England do not get this funding. It was asked whether a business case for VB/VE to have subvention funds could be made.

Connectivity

- For an International Rotarian convention it had been arranged that all delegates has tickets that worked on all transport types – aided connectivity.
- Problems with final mile and connectivity between destinations and cities in the West Midlands were noted.
- 78% of visitors to events in Wolverhampton are not from the town. However, people leave events at the Civic Centre early in order catch trains – this is affecting the night time economy.

Industry of the Future

- It was suggested that accommodation and attractions should all have a widget on their website so that visitors all able to see what's on offer where they are staying – digitally linking the passenger journey.
- The future of EU workers post-Brexit were mentioned
- Young people naturally use technological solutions to transport problems – will books an Uber on the train for the final mile.
- It was noted that one third of tickets in Birmingham for plays and performances go unsold – more can be done to address this.

London

Industry of Choice

- The seasonal nature of work often makes staff retention difficult. Many EU and international workers see London as one stop in their annual working pattern which they use to earn good money (the strength of the pound is significant here), to benefit from London's reputation, and to improve English skills.
- Generally felt that UK nationals do not look on tourism and hospitality as a favourable career. This is reflected in the education sector and access to vocational training.

- Concerns raised that due to Brexit, and the fall in the value of the pound, London was seen as a less attractive option for EU and international workers.

Industry of the Future

- Better branding for London is needed.
- London would like a more well-developed 24/7 economy but noise levels of associated developments (night clubs, casinos, etc.) are not favourable to those that live in Westminster.

Connectivity

- Given London's size and sprawling nature, there are a lack of app and tech-driven options which can help tourists better navigate the full breadth of London's offer.
- While the overnight tube is welcomed, it cannot be fully exploited due to the current limited development of the 24/7 economy.

Regulation

- Given the huge numbers of EU and other nationalities that work within the sector, the availability of working visas is essential post-Brexit. Concerns were raised that unless it was resolved it would have a significant negative impact on the sector's productivity.

Background Information

Steve Ridgway CBE

Steve Ridgway became Chairman of BTA in April 2017, having sat on the BTA Board since 2013, he is Non-Executive Chairman of StartJG, an international brand agency, following 13 years as Chief Executive of Virgin Atlantic Airways.

He began his business career at Sir James Goldsmith's Cavenham Foods and later joined the Toleman Group, as Business Development Manager (1979-81). When the company bought Cougar Marine (1981-85) he became General Manager based in Miami. On return to the UK he became the Project Head and Chief Pilot of the two 'Virgin Atlantic Challengers', the boat in which he re-captured the fastest crossing of the North Atlantic 1986.

He joined Virgin Atlantic as Managing Director of Virgin Freeway. His career with Virgin progressed rapidly becoming Managing Director of Virgin Atlantic Airways in 1998 and Chief Executive from 2001-2013. He is currently Chairman of Scandlines Ferries in Denmark and owns a hotel in the West Country.

The British Tourist Authority (BTA) – *VisitBritain/VisitEngland*

The BTA is the national tourism agency – a non-departmental public body funded by the Department for Digital, Culture, Media & Sport (DCMS), VisitBritain/VisitEngland* plays a unique role in building England's tourism product, raising Britain's profile worldwide, increasing the volume and value of tourism exports and developing England and Britain's visitor economy.

Working with a wide range of partners in both the UK and overseas, the BTA's mission is to grow the volume and value of inbound tourism across the nations and regions of Britain and to develop world-class English tourism product to support growth aspirations.

VisitEngland activity is focused on the development and delivery of the Discover England fund, announced by the Government in November 2015, which aims to drive inbound visits and spend and support the domestic market through the delivery of world-class, stand-out, bookable tourism products.

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